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CONTENTS FOR JULY

League's Business ..... *Howard P. Jones* 368

Editorial Comment ..... *H. P. J.* 369

Old Age Security ..... *Edwin E. Witte* 371

Security for Mothers and Children ..... *Katharine F. Lenroot* 375

Emergency Education Program for Unemployment Relief ..... *Lewis R. Alderman* 379

Hamilton County, Ohio, to Vote on New Charter ..... *Charles P. Taft* 382

Tom Gibson vs. Public Opinion ..... *J. T. Salter* 385

Ohio Cities Battle Depression and Tax Limitation ..... *George R. Leffler and G. Burman Curry* 391

News of the Month 398

Recent Books Reviewed ..... *Geneva Seybold* 415

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THE LEAGUE'S BUSINESS

An Expression of Thanks.—We are very glad to publish the following letter, recently received from Mrs. Mary Foulke Morrisson, daughter of the League's former president, William Dudley Foulke, whose death was mentioned editorially in our last issue.

"Will you please express to the officers of the National Municipal League the appreciation of my mother and of us all for your kind letter and the nice account of my father in the NATIONAL MUNICIPAL REVIEW. My father was deeply interested in the League work—and long after his active days with it were over he would talk about its problems and plans. He felt keenly that our municipal government was—as has been said—the Achilles heel of our democracy and put the rest of his mind and energy into the work to better it. I used to read the REVIEW to him whenever it came—almost up to the last—and his comments were always vigorous and discriminating. Again many thanks for your tribute."

* * *

You and Your Government.—"Taxation for Prosperity" is the title of Series XI of YOU AND YOUR GOVERNMENT broadcasts now on the air every Tuesday evening from 7:45 to 8:00 o'clock eastern daylight saving time. The National Municipal League is publishing all addresses and discussions in this series. Copies of individual programs may be obtained directly from the League for fifteen cents each, or $2.00 for the entire series of fifteen broadcasts. These printed copies of the programs will contain special reading lists on the topic involved, prepared by Dr. Mabel L. Walker, Executive Secretary of the Tax Policy League. Subjects and speakers for coming weeks follow:

JULY 16—"Missing the Intangibles," William Bennett Munro, California Institute of Technology; former President, American Political Science Association.

JULY 23—"Does Real Estate Pay Too Much?" Joseph D. McGoldrick, Columbia University; Member New York City Charter Commission; former Comptroller, New York City.

JULY 30—"Tax Exemptions," Lawson Purdy, Comptroller, Corporation of Trinity Church; former President, New York Department of Taxes and Assessments.

AUGUST 6—"Tax Dodging By Constitutional Amendment," Edwin A. Cottrell, Executive Head, School of Social Sciences, Stanford University.

AUGUST 13—"Single Tax vs. Triple Tax," Walter Fairchild, Attorney; Secretary of the American Association for Scientific Taxation, Inc.; and Harold S. Buttenheim, Editor, *The American City Magazine.*

AUGUST 20—"Who Gets the Tax Money?", John N. Edy, Assistant Budget Director of the United States.

* * *

Commendation from Wheeling, West Virginia.—Mr. Julian G. Hearne, Jr., chairman pro tem of the Wheeling Association, writes Walter Millard, field secretary of the League, under date of June 17, as follows:

"Personally, and on behalf of the Wheeling Association, I can not too strongly express our appreciation for your visit to Wheeling during our first proportional representation count. Had it not been for you, the ballots marked first choice for the deceased candidate, Stauver, would have been declared invalid which, of course, would have worked an injustice to all those voters who so marked their ballots. Then, too, your help and suggestions throughout the sorting of the ballots and the actual P. R. count speeded things up considerably and prevented other mistakes from being made. It is unfortunate, indeed, that the city authorities did not listen to the suggestions of the Association that you be retained in advance of our election to confer with our director of the count.

"You and the National Municipal League are to be greatly commended for your services to Wheeling and other cities operating under the P. R. system."

The Wheeling Association was instrumental in securing Wheeling's new city manager-proportional representation charter, adopted in April of this year. The story of its first P. R. election under the new government will be found on page 406 of this issue.

HOWARD P. JONES, *Secretary*

Editorial Comment
July

NATIONAL MUNICIPAL REVIEW

Vol. XXIV, No. 7 Total No. 229

A New Invention In Debt Limitation

It is one of the foibles of the human race to stop at the solution of immediate problems. Those that go into next month or next year or overlap generations give us headaches and we play golf instead. Or used to. After all the experience municipal governments have had and are having with respect to the burden of debt they accumulated during the roaring twenties, for example, comparatively little is being done to prevent the recurrence of the same experience.

The suggestion made in last month's issue of the National Municipal Review by Karl Scholz, professor of economics at the University of Pennsylvania, to limit non-self-supporting indebtedness is one of the few bits of new thinking on this subject that have come our way recently. Professor Scholz kills several birds with one stone in an interesting scheme which provides a statutory debt limit for municipalities that would tend to restrict borrowing during periods of prosperity and expand it during periods of depression. In other words, he ties the debt limit to the business cycle by expressing the limit in terms of a percentage of an average of assessed valuations over a period of time. If this sounds complicated in theory, it is simple in practice. Thus, to quote from the article, "the legal basis for borrowing in 1935 might be made a fixed percentage of the mean average of property assessments for the years 1930 to 1934 inclusive. If a sufficiently long period of years is chosen for this forward dated moving average, the legal borrowing power of a municipality might be made to expand during protracted periods of depression. . . on the other hand, with increasing business recovery, and rising property values, legal borrowing power would not expand until the increases in assessments at the end of the chosen series of years exceeded the declines in the earlier years." Professor Scholz' computations show that, during the past depression, had his plan been carried out on a nine-year basis, the legal debt limit would have continued to rise until 1935, whereas it would have been held back during the twenties.

It is to be hoped this intelligent suggestion will actually be put into operation somewhere. Even if not, however, it is concrete evidence of the possibilities that lie in the invention of new methods in the field of political action.

Soporifics And Tax Limitation

THE case against tax limitation has been sufficiently proved by experience so the issue might be thought to be a dead one. Quite the contrary, however. In New York State, where a 2 per cent tax limitation act passed the senate this year but failed in the assembly, renewed efforts are being put forth to obtain its passage at the next session. In Georgia the people will vote on a constitutional amendment for limitation in the fall and in other states the issue will be pressed.

Let there be no mistake as to motives: the real estate groups and others behind the tax limitation program are 100 per cent sincere in their efforts to limit the general property tax and force governments to locate other sources of revenue. Here is no deliberate attempt to cripple local government; here is simply a singleness of purpose. "We'll only pay so much; get the rest of your money somewhere else or go without." In a nutshell, and without prejudice, that expresses, we believe, the program of the tax limiters.

* * *

Of course, past experience has demonstrated that tax limitation laws don't limit—the pressure is too great: they do lead, however, to worse evils than those they seek to remedy. But even assuming that we could pass a law which *would limit* by preventing local governments from raising assessed valuations and curtailing temporary borrowing power, the fact remains that the very services in which property owners are most interested would probably be hit hardest. Certainly one of two things, neither of which we want to happen, would happen: either the essential services of local government that we have fought so hard to maintain during the depression would suffer seriously or there would be defaults on bonds.

* * *

The NATIONAL MUNICIPAL REVIEW, however, questions the whole approach to the problem involved in the tax limitation idea. The objective we are seeking is honest and efficient administration of the services the public demands, such services to be financed through as equitable a revenue system as can be devised. In the administration of the public business it is, of course, necessary to exercise controls over expenditure. Such controls, however, should not be arbitrary and artificial in their application to services that constitute the foundation of our communities. Limitation of expenditure as well as increase in expenditure should be the result of bringing intelligent judgment to bear upon the problem.

Finally, the REVIEW suggests that wherever the issue of tax limitation is up for decision, citizens' councils, research bureaus, civic organizations, or other agencies assume the responsibility of finding out exactly what tax limitation will do to the particular unit of local government concerned, and publicize the fact in order that citizens may know in advance what they may be facing. The idea of a reduction in your taxes or mine is so pleasant a soporific it may induce unconsciousness at the very time alertness is most needed.

H. P. J.

Old Age Security

Congress acts favorably on President's social security program

EDWIN E. WITTE

Executive Director, The President's Committee on Economic Security, 1934-1935

IN 1934 it proved impossible to get through Congress a bill appropriating $10,000,000 per year for old-age assistance, despite favorable committee reports. In 1935 Congress, in title I of the social security act, has authorized appropriations for the same purpose amounting to $50,000,000 in the first year and of "a sum sufficient" in subsequent years. This, in the face of estimates that within five years "a sum sufficient" will mean an annual expenditure of $400,000,000. And the only criticism that has been made of this part of the social security act is that it does not go far enough.

The first explanation which occurs to everyone for this marked change in attitude within one year is the Townsend movement. This movement has indeed been one of the most extraordinary phenomena we have ever witnessed in this country. Launched in January 1934, and originally proposed as a pension plan for the state of California, it attracted little attention until President Roosevelt, in his message of June 8, 1934, indicated that he intended to offer a comprehensive program for social security to the Seventy-Fourth Congress. Recast as a plan for national legislation, the Townsend movement in a few months gained millions of adherents in every part of the country. This remarkable growth occurred in spite of devastating criticism and frequent changes in the plan, several splits within the organization, and nasty charges of financial irregularities. Although Roger Babson characterized it as "the craziest idea that has ever been foisted upon an unsuspecting public," and practically every economist in the country endorsed this view, more than twenty million people signed petitions for its enactment and more individual letters supporting it were written to the President and members of Congress than for any other proposal ever to come before the country.

Yet it is doubtful whether the Townsend movement helped or hindered the cause of old-age security. The deluge of letters and petitions indicated such widespread demand for old-age pensions that enactment of an old-age pension law became inevitable, but the Townsend plan aroused such great hopes among the people naturally most interested in pensions that Congressmen could get no credit for voting for any pension plan within the realm of possibility. The net effect was to hold up the social security act for some months and to divert attention from the state legislatures, where the laws under which old-age pensions are actually paid must be written. The Townsend plan made Dr. Townsend a national figure, afforded profitable employment to the promoters

who ran the movement while the doctor occupied the spotlight, and gave many unsuccessful politicians everywhere a new issue on which to appeal for votes. But the millions of elderly people who paid the bills got very little, if anything, for their money other than a mass of false statistics and incredible promises.

The Townsend movement was more of an effect than a cause. It resulted from the prevailing widespread distress and the tragic lot of so many old people who are thrown upon the public for support. When the relief load was at its peak last winter, almost a million men and women over sixty-five were on the relief rolls. All of them belong among the unemployables who, under the policy first announced by the federal government in December 1934, are once more to become the responsibility of the state and local governments.

OLD AGE PENSIONS NEEDED

Public opinion in the United States, as in all advanced countries, has for some years recognized that the payment of old-age pensions is the most humane and least expensive method of providing for the dependent aged who do not need institutional care. Prior to the President's social security message, twenty-eight states and two territories had enacted old-age pension laws, and, so far this year, six more states have done so. In the year 1934 the number of pensioners under state old-age pension laws more than doubled, increasing from 115,000 at the beginning of the year to 231,000 at the close.

As indicated by the much larger number of old people on emergency relief, however, it is clear that there should be many more old-age pensioners. The average pension grants in 1934, moreover, were only $15.50 per month, these grants being made on an individual rather than a family basis. While even this average pension is much better than the average allowance of a little more than $26 per family on direct relief, it is clearly inadequate in most parts of the country.

In order that aged pensioners shall be more adequately cared for, and to enable the government to carry out its announced policy of returning responsibility for the care of unemployables to the states, federal aid is essential. Unaided, many states are financially unable to provide adequate pensions to their aged dependents. To meet this situation, the social security act provides that the federal government will match the expenditures of the state and local governments for old age assistance, but will not contribute more than $15 per month toward any one pension. Control over the old-age assistance grants is left with the states and it is contemplated that these grants will vary with the needs of the pensioners and their income from other sources. But only needy persons may be assisted, the social security act retaining the principle which has been followed in every country throughout the world granting free pensions, that only those persons who have no means of their own and no children who can afford to support them shall be supported by the general taxpayers.

Provisions under which old people without means will have a decent and assured subsistence are the first essential in any program for old-age security. Old-age assistance alone, however, falls far short of a really adequate program.

Old-age assistance does not, as critics of the social security act assert, require the recipients to take the pauper's oath. Thirty dollars per month to an aged dependent (which amounts to $60 per month to an old couple) is not only much better than the amount allowed for the support of old people included in relief families but is more liberal than are the old-age pension grants in any other country in the world. Nor

is there anything in the social security act which limits old-age assistance to $30 per month. While the federal aid is limited to $15 per month, this is to give substantially the same amount of aid in all cases, not to limit the state grants. Even now some grants in urban centers exceed $30 per month and the principle that old-age assistance shall be sufficient, with other income of the pensioner, for "a reasonable subsistence compatible with decency and health," will require many more such grants in which the state and local governments will have to contribute more than the federal government.

Except at a ruinous cost, however, free pensions can be granted only to old people who are dependent upon the public for support and the pensions can provide no more than a reasonable subsistence. Theoretically, of course, all elderly people might be pensioned at an amount enabling them to live in some degree of luxury. Practically, there will be no stopping point and the costs are certain to prove unbearable. Pressure exerted by veterans' lobbies upon Congress will seem very feeble in contrast with the pressure which can be applied for lower age limits and higher pensions, once the country commits itself to the principle of free pensions for everyone of a specified age.

The difficulty lies in the magnitude of the old-age problem. There are now approximately 7,500,000 people over sixty-five years of age and 11,000,000 over sixty. For decades the number and percentage of the old people in our population has been increasing and this trend is certain to continue until we have attained a stable population. There are now twice as many people over sixty-five years of age as there were thirty years ago. By 1970 we will have at least 15,000,000 in this age group and by the end of the century over 19,000,000. Instead of the present 6 per cent of the population above sixty-five, we will have more than 12 per cent long before the year 2000. And these figures make but little allowance for further advances in life expectancy.

Not only must we look forward to a great increase in the number and percentage of our population in the older age groups, but we must also expect an increasing rate of dependency among the aged. There is a pronounced trend in industry toward employing only younger men and also a weakening of the sense of the responsibility of children for the support of their old parents. The long depression has wrought great havoc with savings and, beyond question, many people now of middle age or older will find themselves unable, without help, to build up adequate protection for their old age in the few remaining years of their industrial life. As has been the experience throughout the world, we must anticipate a rapid increase in the percentage of older people who will qualify for old-age assistance on a needs basis, and a still greater increase in the absolute number of such persons. On the basis of Canadian and European experience, actuaries estimate that free pensions on a needs basis, averaging but $25 per month, will cost (if the only provision for old-age security is old-age assistance) $800,000,000 by 1940, $2,000,000,000 by 1960, and larger amounts thereafter. The remarkable spread of the Townsend movement, moreover, strongly suggests that this country will not long be able to pursue the policy of pensioning only those of the old people who are dependent upon the public for support and of limiting the pensions to an amount sufficient for a reasonable subsistence. If free pensions are granted to all old people, the actuarial estimates cited will be greatly exceeded. A free pension of $30 per month to everybody now sixty-five or over will cost nearly $2,500,000,000, which is considerably more than one-

half the total ordinary expenditures of the federal government and above one-fourth the total federal, state, and local taxes annually collected for all purposes. With the increasing number of old people this total will mount rapidly; and once we have free pensions for everybody we will not stop at $30 per month or maintain as high an age qualification as sixty-five years.

CONTRIBUTORY ANNUITIES

To forestall such impossible tax burdens as a free pension system is certain to involve and to give a more adequate measure of old-age security than is possible through old-age assistance on a needs basis, the social security act provides (as the second part of the national program for old-age security) for the establishment of a system of contributory old-age annuities for substantially all urban workers other than those who are employed in private domestic or governmental service. Under title II, which will come into operation in 1942, annuities will become payable to all workers of the included groups upon retirement at age sixty-five or thereafter. These will be in proportion to their earnings during their years of employment, but at a higher percentage for the lower paid than for the better paid workers. The minimum annuities will be $10 per month, the highest $85, with $50-65 the probable average for workers now in the younger age groups.

On title VIII the social security act levies taxes on the groups of employees included in the federal old-age benefit system and their employers, which in the course of the years will, it is hoped, produce approximately enough revenue to equal the cost of the old-age benefits. In any year or as to any individual, however, there is no exact correspondence between tax collections and benefit payments, nor is the tax in title VIII definitely earmarked for the purposes of title II. The initial rate of tax is 1 per cent on the employer and 1 per cent on the employee computed on the employer's annual earnings. This is increased by ½ per cent at three-year intervals, reaching the maximum of 3 per cent in 1949 and thereafter.

PROBLEMS TO BE MET

Beyond question, the administration of a national old-age benefit system such as is provided for in the social security act will present many difficult problems. Despite the very complete separation of titles II and VIII, moreover, attempts will be made to invalidate this program on the doctrine of the child labor tax case. While the attorney-general and many other eminent attorneys who have been consulted believe it to be unassailable on constitutional grounds, no one can be certain what will be the outcome until the Supreme Court has passed upon the legislation.

But the program proposed is fundamentally sound from the economic point of view. The only politically practical alternative is a free pension system for all citizens of the country who reach a specified age. This alternative involves such great costs and heavy tax burdens in future years that there can be little question but that the plan for old-age security embodied in the social security act is greatly preferable.

Security For Mothers and Children

The federal government taking steps to provide aid for dependent children, maternal and child health, aid to child welfare services, etc.

KATHARINE F. LENROOT

Chief, Children's Bureau, United States Department of Labor

IN HIS message to the Congress on January 4, 1935, President Roosevelt said: "I recall to your attention my message to the Congress last June in which I said: 'among our objectives I place the security of the men, women, and children of the nation first.' That remains our first and continuing task; and in a very real sense every major legislative enactment of this Congress should be a component part of it."

At this writing both houses of Congress have passed the Wagner-Doughton-Lewis bill and it is now in conference. This bill is designed to afford a basis for meeting in part one of the three major security needs outlined by the President—the need for "some safeguard against misfortunes which cannot be wholly eliminated in this man-made world." The other two major needs the President has described as the need for the security of a livelihood and the security of decent homes.

Mothers and children, as well as the breadwinners and the aged, are subjected to hazards and vicissitudes affecting life and health, and two of the titles of the "economic security" bill are designed to meet their special needs by laying a foundation for federal, state, and local coöperative effort in strengthening and extending established systems of aid, health care, and social protection. In a larger sense, however, all measures affecting the economic condition and the family life of wage earners are essentially measures for the welfare of mothers and children—for example, regularization of employment, shorter hours, reasonable wage levels, accident prevention, workmen's compensation, unemployment compensation, public health service. Julia C. Lathrop well understood this essential foundation for the childhood of America, and her successor, Grace Abbott, has emphasized it throughout her years in the Children's Bureau and in her recent service as a member of the advisory council set up by the President to assist in the development of the security measures now under consideration.

About 7,400,000 children under the age of sixteen years are in families receiving relief, and other millions are in families suffering from severe economic distress. Evidence accumulated from various sources indicates a serious increase in malnutrition in certain areas at least. Infant mortality, which had been decreasing for a number of years, remained stationary in 1933, and advance figures reported by the Public Health Service for the first six months of 1934 for twenty-six states indicate an increase. Since 1929 the rural infant mortality rate has been higher than the city rate—a reversal of the former relatively more favored situation of the country child. The annual loss in infant deaths totals 120,000, and the lives of

nearly 13,000 women are sacrificed each year in the bearing of children. For certain parts of the country and among certain groups of the population the rates remain relatively high—infants in rural areas, negro infants, infants under one month of life, especially those prematurely born. According to reports from various parts of the country, many mothers are going without the medical care in the prenatal period and at childbirth to which they had recourse in more prosperous times. Maternity nursing services are available to only a slight extent outside the urban centers. Children are living in over-crowded, poverty-stricken homes; ill clad and poorly fed; without money for carfare, books, or an occasional movie. Children with physical handicaps are in many areas likely to be left without that corrective care which might restore them to normal childhood.

In spite of courageous efforts of many public officials and representatives of private agencies, the resources for meeting the health and social needs of childhood have been seriously curtailed in many states and communities. Twenty-three states spend less than $10,000 per year in state funds for maternal and child health service; in 14 of these there are no special funds set aside for these services or there is less than $3,000 spent annually. Against this picture, however, is the tremendous fact that public relief services, in which skilled social service has had an important part, and which have also made available medical and nursing service in the homes as part of the relief program, have been extended throughout the country. These emergency services have reached the people of the hitherto forgotten hamlets, mining towns, tenant farms, and other folk who have been without the reach, in most states, of the facilities for public health and social welfare which are at the disposal of city families.

These conditions demand economic security, intelligent and informed parenthood, and community provision for the health and the welfare of mothers and children.

MORE AND LARGER GRANTS NEEDED

It is estimated that in at least 358,000 families receiving relief there is no male breadwinner in the family, the mother being widowed, separated, or divorced, and there are children under the age of sixteen years to be cared for. Mothers' aid appropriations, authorized by law in forty-five states, the District of Columbia, Alaska, Hawaii, and Puerto Rico, are actually granted in not over half the counties authorized to give such aid. The grants are often pitifully inadequate—sometimes as low as $8 or $9 per month—waiting lists are long, and eligibility is restricted. The problem is to extend the areas in which aid is granted, the proportion of families in need that are reached, and the amounts granted and efficiency of administration.

If deaths of infants and mothers are to be prevented and the level of health of children is to be raised, not only must there be improvement in those economic and social conditions that make for a better standard of living, but provision must be made for better maternal care, for the education of both professional and lay groups in what constitutes good maternal care, for increasing knowledge of causes of death of newborn infants, for provision of more adequate facilities for the care of newborn infants—especially of those prematurely born—for the strengthening and extension of health programs for infants and children, for further control of communicable diseases and community milk and water supplies, and for the development of other general public-health measures.

Another large group of children for whose needs, from the point of view of diagnostic services, medical treatment, and convalescent care, very inadequate and uneven provision is being made in

many of the states are the crippled and those suffering from chronic disease, such as heart disease and tuberculosis. The actual number of such children needing care is not definitely known, and many of the general estimates as to need are based on surveys in urban areas, but recent state-wide surveys to discover crippled children give definite evidence that a large number of children in rural and small-town areas will be forced to go through life with severe handicaps unless public funds are made available for their care.

Services for the protection and care of dependent, delinquent, and physically and mentally handicapped children are usually available through either private or public agencies in cities of 100,000 or more population. In counties having no large cities, protective services for children are seldom available unless a definite program has been developed in the state for employing county or district social workers responsible for services to children. Only one-fourth of the states have recognized the need for local public services for children throughout the state and have undertaken to further such services through legislation establishing county welfare boards or departments. In a few other states such a program has been developed through the activities of the state department of welfare, without special legislation. All these state programs place responsibility for services for children upon the county agency. In most of the states having such a county welfare program, progress has been extremely slow in employing social workers for services to children.

COMMITTEE ON ECONOMIC SECURITY

These conditions, and the general problems of provision against the insecurity which accompanies unemployment, and frequently old age, have been the subject of study by the committee on economic security appointed by the President and including in its membership the secretary of labor, who is chairman of the committee, the secretary of the treasury, the attorney general, the secretary of agriculture, and the federal relief administrator. Among the several technical and advisory committees which assisted the principal committee in its work was an advisory committee on child welfare whose members included four physicians who are specialists in various fields, and five social workers. Recommendations on the child welfare aspects of the security program were developed in consultation with this committee and other experts, have been approved by the advisory council, the cabinet committee, and the President, and are incorporated, in substance, in the pending economic security bill.

Briefly, title II of the bill[1] provides a basis for shifting families in which there is only one adult, and that one needed for the care of children under the age of sixteen, able to earn a living compatible with health and decency, to the relative security of a mothers' aid system, or more exactly, as the bill terms it, a system of aid to dependent children in their own homes. An appropriation of $25,000,000 per year is authorized, which together with the state and local funds which should be made available promptly, would about double the present mothers' aid expenditures. The report estimated that the cost to the federal government might rise to $50,000,000 as more complete coverage is obtained, and it may considerably exceed this figure in view of the broad definition of eligibility contained in the bill.[2] The federal government is to reimburse, to the extent of one-third of the total expenditure, states submitted plans for administration approved by the federal administrative authority.

[1]Title IV of the senate bill.

[2]The definition in the senate bill is somewhat different from that in the house bill.

Certain standards as to administration, availability of aid throughout the state, state financial administration, and residence, are required. It is contemplated that this form of aid will become a function of unified public-welfare administrations as they are developed.

COÖPERATION WITH STATES

Changes will have to be made in the laws of most of the states, in order to broaden their scope and increase the adequacy of the aid provided, before the states will be eligible to federal assistance under the plan. Provision of state funds to assist in equalizing the resources of the poorer and the richer areas, and development of state-wide standards of administration, are greatly needed and should be stimulated through the federal coöperation which the bill provides.

Another title of the bill provides for federal coöperation, through the Children's Bureau, with the state agencies of health in strengthening and extending maternal and child health services, especially in rural areas, and in developing demonstration services and research in problems of community organization for child health service, conditions leading to high infant and maternal mortality rates, and conditions leading to impairment of the health of mothers and children. An annual appropriation of $4,000,000[3] is authorized for these purposes, to be granted chiefly on a matching basis, though discretionary funds for assistance to especially needy areas and for demonstration services are provided. The title provides for allocation of the funds in part on the basis of the proportion of live births in a state to total live births, and for allotment of funds by the secretary of labor after plans have been submitted by the state agencies of health and approved by the Children's Bureau.

The plans must take into account cooperation with medical, nursing, and welfare groups and organizations.

This title of the bill also authorizes $3,000,000[4] for the development, in cooperation with state agencies, of facilities for the diagnosis, hospitalization, and after-care of crippled children. The funds are to be allotted, $20,000 to each state and the balance on the basis of need to be matched by state funds, or state and local funds. They are to be granted after plans for their administration have been submitted to and approved by the Children's Bureau.

Another provision authorizes an annual appropriation of $1,500,000 for cooperative work with the state agencies of welfare in the strengthening and extending of child welfare services to homeless, dependent and neglected children, especially in rural areas.

Title VIII of the bill[5] is also of importance to children, as it provides for coöperative work with the state through the United States Public Health Service, in strengthening local health services and for expansion of the research work of the Public Health Service.

The provisions for aid to dependent children, maternal and child health, services for crippled children, and aid to child welfare services, will mean a great step forward in the extension to children throughout the country of facilities now available only in the more favored areas. Within the framework of national, state, and local coöperation thus provided there will be ample opportunity for variation in accordance with local needs and conditions and for the more effective utilization of existing resources for child welfare.

[3]Three million eight hundred thousand in the senate bill, which provides an additional amount for federal administration.

[4]Two million, eight hundred fifty thousand in the senate bill, with additional funds for federal administration.

[5]Title VI of the senate bill.

The Emergency Education Program For Unemployment Relief

Federal help in education brings relief to unemployed teachers as well as educational opportunities for both children and grown-ups

LEWIS R. ALDERMAN

Director, Educational Division, Federal Emergency Relief Administration

By 1932 the depression had brought on a crisis in education. Local units of government were no longer able to pay their bills. Closed banks, unpaid taxes and mortgages, and the decreased assessment of real estate shut off local sources of income. Schools were compelled to default on bonds, lower salaries, shorten terms, stop important school services, or close down altogether. One of every three employed teachers worked for less than $728 a year—the minimum NRA "blanket" code rate for unskilled factory workers. More than 80,000 rural teachers received less than $450 a year, while the average for negro teachers in rural areas was $388. Enrollment in schools increased by a million children, but 25,000 teachers were dropped, and 200,000 teachers with certificates were unemployed. In the field of education, the anomalous relation of supply and demand was the same as in industry and agriculture—millions of people needed education while teachers were unemployed.

There are four principles behind the emergency education program which were developed by the Federal Emergency Relief Administration to meet the critical situation in education. The first is that the federal government accepted responsibility for the unemployed and said that no one should starve.

The second conviction of those who formulated this program is that work relief is the most constructive way of exchanging service to the community for public aid. There are millions of self-respecting Americans who are loathe to accept a situation of being idle on a government dole while they lose their skills and ambitions.

Mr. Harry L. Hopkins, the Federal Emergency Relief Administrator, has a working hypothesis that people on work relief should be given work where they can use their training and ability on socially useful projects. Whenever there is work relief on a large scale, work must be found for teachers in need of relief—hence the emergency education program.

Perhaps the most important reason for making education a part of the relief program is that the unemployed need encouragement and guidance to help them live through and surmount their difficulties. They need to occupy their minds with hopeful, constructive thoughts instead of defeat and futility. Leaders in local communities should do everything possible to prevent a breakdown in the morale of their fellow citizens. The federal government cannot fully accomplish this, but a relief program must help to maintain the self-respect and hope of the people. This cannot be done by lectures on the value of cheerfulness. People need to be kept busy and interested. This belief is the

mainspring of the emergency education program which gives needy, unemployed teachers an opportunity to instruct adults who need education which will enable them to become self-supporting citizens. Our experience has shown that class units under good instruction have great power to revive morale. Adults are eager and able to learn and many of them show surprising abilities. Many reports show that the atmosphere of tragedy and despondency gives way, under good teaching conditions, to enthusiasm and hope.

In the fourth place, conditions seem to indicate that the transition period through which our society is going will last for some time. There are some jobs which are lost forever. Men who have become forty during the depression will have difficulty in finding a place in business again. There are millions of young people graduated from school during the last few years who cannot hope to find jobs in the immediate future. And there are millions of children living in destitute homes where there is no hope of an immediate improvement in conditions. An education program which can help people to make adjustments—learn new trades, perfect their skills, and develop talents—can be of inestimable value in such a situation.

The Federal Emergency Relief Administration has allotted to the states $2,400,000 a month for a five point education program which has given employment to 40,000 needy, unemployed teachers, reached 1,650,000 adults enrolled in emergency classes, and provided healthful surroundings in nursery schools for 60,000 children from destitute homes. State programs are planned by the state departments of education and emergency relief administrations, within the general authorization of the FERA. Administration is, therefore, decentralized, and the program reflects local initiative and various state needs. Where state departments of education were unable to supervise the emergency education program adequately because their own staffs had been cut, the FERA allotted funds for qualified supervisors.

FERA PROGRAM

The two main features of the program are that (1) it is primarily a work relief measure, and (2) it supplements state educational activities and does not attempt to carry on the regular responsibilities of the public school system. It follows from the first of these characteristics that the program is only indirectly an educational program. Persons selected for teachers must be eligible for relief, and people on relief are not always as well equipped to teach as others whose services might be obtained. This is often discouraging to school officials who usually seek the best qualified person to fill a particular job, regardless of his need. In many cases, however, short teacher training programs have enabled school officials to salvage fine teaching ability from those who seemed hopeless.

Regarding the second feature of the emergency education program, the Administration has avoided using federal funds for the regular public school system lest local initiative in supporting schools should be broken down, or employed people thrown out of jobs in order to give relief teachers their places. Last year, however, in rural elementary schools and towns up to five thousand population where local and state funds were completely exhausted the Federal Emergency Relief Administration granted $14,260,260 to keep the schools open. Other parts of the program, however, emphasize relief for the purpose of relieving individuals rather than school districts. Projects were authorized and developed in the following educational fields:

1. Literacy classes to teach adults how to read and write. The great need for these classes is apparent when 4.3 per cent of our population (or 4,283,753

people over ten years of age) are total illiterates who cannot read or write in any language; and some eight millions more are functionally illiterate, being unable to read a newspaper or write a letter without difficulty. The FERA has made a special drive to reduce illiteracy.

2. Vocational training, for unemployed adults who are in need of new training to make them employable, or of practice to keep up their acquired skills. This training is given in (a) trade and industrial education, (b) home economics, (c) agriculture, (d) commercial education, and (e) vocational adjustment and counsel.

3. Vocational rehabilitation. Relief funds may be used to give instruction in new trades to unemployed adults who are crippled by accident or disease, in order that they may become self-supporting. Experience has shown that it requires much less money to rehabilitate the individual who is handicapped by physical defects than it requires to support such an individual in a public institution, even for one year.

4. General adult education is for unemployed and other adults who are in need of further general educational opportunities. Many special phases of adult education have been developed, such as workers' education, parent education, avocational training, hobbies and handicraft classes, general academic, and cultural education. One of the special projects enabled 100,000 needy students to earn their way through college by providing part-time jobs on socially useful projects.

5. Nursery schools were organized in cities, mining districts, mill villages, and districts where there were stranded populations, subsistence homesteads and unemployed women. Fifty thousand pre-school children of unemployed and destitute parents received the benefits of a regular program of health care, proper nutrition, adequate rest, and protection from communicable disease.

RESULTS GOOD

Criticisms of the emergency education program usually arise from difficulties incident to organizing an education program on a relief basis. Educational activities generally function best when planned over a long period of time, giving teachers security as a matter of course and leaving them free to develop professionally. Some officials find it difficult to plan when funds are allotted on a month-to-month basis. Since federal funds must be spent for work relief wages, there is a lack of supplies and equipment, but the gap has been partly filled by contributions of local communities and private organizations.

Constructive results have far surpassed the expectations of those in charge of the program. The need and importance of adult education has been revealed to communities and educators. There are probably as many men and women who need elementary education as there are children in the public schools. Leaders in education have said that the eager response of adults to this program has made it impossible to be contented with a system which reaches children alone. A strong tie has been developed between the school and the community.

Work relief in education helped to maintain the self-respect of teachers given employment, and the ambitions and skills of those who enrolled in the classes. Transiency, vagrancy, and delinquency were reduced by providing wholesome interests and occupations for unemployed people. Children in the nursery schools have been given a happy, healthy environment. The education program turned an emergency into an opportunity.

Hamilton County, Ohio, To Vote On New Charter

Chairman of commission describes provisions of charter to be voted on November 1935

CHARLES P. TAFT — *Chairman, Governor's Commission on County Government, Ohio*

On November 5, 1935, the voters of Hamilton County, Ohio, will vote on a county charter. This charter has been prepared by a commission elected last fall under the constitutional amendment adopted by the people of the state in November 1933.

Hamilton County includes the city of Cincinnati. The population of the city is about 460,000 and of the county about 600,000. In area the city is about seventy-two square miles, and the county four hundred and seven. The ratio of property valuation of the city to the county is roughly 80 per cent. The county includes five other cities, nineteen villages and thirteen townships. In contrast with the county history of Cleveland, the county commissioners have generally represented the outlying territory.

During the last eight years the Citizens' Committee has succeeded in capturing varying numbers of the county offices and has introduced substantial economies in administration. Their candidates were defeated last year and the Republican organization is now in complete control.

The majority of the county charter commission represents, however, the same group which has so successfully administered the city affairs. The county charter which they have drafted follows closely the lines of their platform in the election last fall. By virtue of a statute passed by the current legislature, the adoption of this charter will make the county a corporation. The charter gives to the county as a corporation all powers and all duties relating to counties and county officers, boards, commissions and agencies by general law. It provides the manner of exercising certain of these powers and gives to the county commissioners power to fix the manner of exercise of those not mentioned specifically, and the duty of assigning their performance to the proper officer or board if they are not mentioned.

One of the principal questions facing the charter commission was whether it should attempt to include any powers that by any interpretation might be styled municipal. The constitution, in the case of any charter vesting municipal powers in the county, requires a favorable vote in a majority of the cities, villages, and townships in the county as well as in the territory outside of Cincinnati and in the city itself. This hurdle we did not feel able to surmount at this stage. The charter therefore provides that the county shall have all powers possible under the constitution and laws of Ohio, except that it shall not vest any powers which require approval of the charter by these special majorities. It is proposed that if the charter is adopted this fall certain amendments be offered for vote in No-

vember 1936, before the charter goes into effect, giving the commissioners, for example, power to adopt building ordinances in the unincorporated territory and also to regulate gas and electric rates in the same area.

The general form of government contemplated is a legislative body of five county commissioners elected at large on a nonpartisan ballot, a prosecuting attorney similarly elected, and an independent county executive, selected by the commissioners, and making the appointments of all department heads. The departments provided for are: finance, public works, health and hospitals, welfare, with a clerk of courts, sheriff, recorder, personnel officer and purchasing agent also appointed by the executive. An independent auditor is to be appointed by the county board. These departments and offices are fixed except that the recorder may be abolished by the county board and the duties combined with those of any other office, and the county executive may do the purchasing himself. He may also serve as the head of any department, and may appoint the same individual as the head of more than one department.

IMPROVED TAX COLLECTION

The combination of most of the duties of the two existing finance officers under one head will make permanent the present arrangement for billing and collecting taxes, and will permit the elimination of much duplication in bookkeeping. The charter requires the payment into the county treasury of various funds that have been separately deposited prior to this. The assessment is performed by the finance officer, and the board of revision consists of three members of the county board. The budget commission called for under the Ohio laws is expanded so as to include a representative of the six cities and one from the six city boards of education. The present separation of sanitary engineering and road building in Ohio counties is eliminated by the charter and all engineering functions are brought under the new county engineer.

A great step forward is provided for in the department of health and hospitals. By state law, the adoption of this charter will bring all health work under a single department, and another new state law, which permits the county to contract with any subdivision for the performance of any of its functions, will probably bring about the transfer of the city general hospital to the county, while the charter still maintains the connection with the University of Cincinnati Medical School. The coroner is abolished and a medical examiner is set up in this same department. The welfare department is permitted to take over various independent welfare functions on a voluntary basis, and, like the health department is freed of any administrative board.

The duties of the clerk, recorder, and sheriff have been rearranged so that the clerk will handle all matters having to do with the administration of justice in civil cases, and will be freed from nonjudicial duties. The sheriff is relieved of all civil duties and operates only in the field of criminal justice.

In the planning field, a county planning commission is provided for, following the general lines of the state law, to which all county projects must be submitted. It has no veto but only the right to report within thirty days before a final approval of the project. If, by state law, its functions are subsequently enlarged, the charter provides that any action of the county planning commission relating to zoning, planning, or the approval of projects may be overruled within thirty days by the vote of four out of five members of the county board.

CIVIL SERVICE REGULATIONS

The section of the charter on personnel is also authorized by the recent

state law, and if the charter is adopted the provisions of the state civil service law are no longer in effect so far as county personnel is concerned. A commission is provided for which has charge of recruitment, tests, appeals and investigations. The administration of personnel is under a personnel officer appointed by the county executive. The general theory of the personnel section follows the principles laid down by the Commission of Inquiry on Public Service Personnel, and contemplates a career service not merely in the county, but correlated to all public personnel employed within the county by any political subdivision of the state, and also by the United States, if the standards and methods of the other employer are approved by the county board. The personnel officer is required to classify all these positions under other governmental employers in order to permit promotion from such other positions to the county service. The most important difference between the charter and the state law is that there is no exemption for deputies. Under this exemption, civil service in the state of Ohio and its counties has been a dead letter ever since its adoption. Temporary appointments are limited to three months in any consecutive twelve months in the same department or office, and the personnel commission must pass on the necessity for such appointments in the first place. Authority is given by the charter to set up a pension and retirement system, but there is some question whether this is authorized by law.

The election provisions provide for a central count.

The charter takes effect in general on the first Monday in January 1937, but the county treasurer and one county commissioner, elected last November, are to hold over and serve under the new government.

In general the charter opens the way for a really coördinated administration of county functions. Certain county offices previously elective are reduced to their proper status as relatively unimportant divisions of major departments. Other departments whose importance has developed since the form of county government was established are brought up to their proper relative position. Gains made in administration in the last few years without authority of law are now officially authorized.

The chances of adoption of this charter are about even. The county home rule amendment carried in this county by 2500 votes over the opposition of the Republicans, and with marked lack of enthusiasm on the part of the Democrats. Some members of the Democratic organization are still disaffected, and the Republicans will wage a strenuous battle against the adoption of the charter on account of the nonpartisan ballot and the civil service section. However, it is likely that the Democratic support on election day will be fairly general, and the charter should pass by one to three thousand votes.

This charter is the first one formally adopted by the four Ohio counties which elected charter commissions. It is likely that the charters in Toledo and Youngstown will follow the general lines of this charter. There has been rather more sentiment for municipal powers in Cleveland, and at this writing it is not possible to say what form their charter will take. Altogether it seems sure that Ohio will take at least some steps forward this year toward the goal of modern county government.

Tom Gibson vs. Public Opinion

A picture of democracy as it is practiced in ward politics

J. T. SALTER[1]

University of Wisconsin

A SHORT time ago I received a voluminous letter from the Walpole of ward politics. After giving me his "ward's-eye" picture of the present state of Philadelphia politics, he writes about a mutual acquaintance. I quote, "And then I know you'll be very pleased to hear that Tom Gibson, the colored committeeman in our ward, has been practically assured of advancement to county X. We have an opening in that office, because a week after election, the only committeeman in our ward who lost his division, committed suicide by gun. I don't think this was his real reason, for I think he would first have shot his opposition. The man couldn't stand his wife's nagging. Of course, he felt depressed, but he expected to be beat since he was in the hotbed of men opposed to the present leadership of the ward, and was beaten on registration day. To be beat only by thirty on election day wasn't bad at all compared to the losses throughout the city. The advancement of a colored man to such a job (I understand it will be the first time a colored man has held that position in Philadelphia) is a credit to the ward leader and the Republican party. First, it rewards loyalty, and secondly, it boosts the party. The cry of the McDermott Democrats opposed to Kelly [Kelly is the chairman of the Democratic City Committee] has been that Jack Kelly doesn't like to give jobs to colored men, and to the very few he has given jobs, they are of the janitor class. Gibson wants to know when he will get that article you have written about him."

I have since learned that Gibson was given the coveted position in the county service—his reward for a life-time of effort spent in the service of the organization, and defeating all comers, both in fat years and in lean up till now. The sketch that I wrote shortly after my last talk with him follows.

"Mr. Gibson, I want you to meet Professor Salter. Now the professor is real; he ain't no fraud; he ain't no tin-can; he is 'genu-wine!' "

The speaker was my friend, George Frobisher; the place was City Hall; the time, September 1933. I had walked eagerly into Philadelphia's cenotaphic home of the politicians and had been happy to find old George calmly smoking a stub of a cigar, with a great ledger on the table before him. I couldn't tell whether he was peering at the figures or just smoking. He gave me the sort of welcome that only the career men in City Hall can give. In spite of the Great Big City's being impersonal, City Hall knows better—it is personal in the grand manner, after the fashion of the country store in the village of my boyhood.

[1]The author's book, "Boss Rule: Portraits in City Politics," contains other sketches of politicians done from the life. See review of the book on page 415 of this issue.

I had asked Mr. Frobisher if he would introduce me to Tom Gibson, a fellow-worker in this long narrow office that was alive with specialists in politics—or, more accurately, in the technique of winning elections. He said that of course he would, and jumped up and we started over to Mr. Gibson's desk. (Mr. Gibson is a colored politician about whom I had heard much—he never fails the organization—but had never talked to.)

As Mr. Frobisher had introduced me, Mr. Gibson had risen to his feet; he followed every word of the introduction solemnly. As far as he was concerned, the introduction was bona fide; it covered everything. He gravely extended his hand and suggested that we step out into the corridor to have our talk. In the wide hall there were small groups of men at irregular intervals along its entire length. Mr. Gibson took a place against a wall where we were comparatively alone, looked at me in his sombre fashion, and said, "What can I do for you, professor?"

DESCRIBING MR. GIBSON

He was thick-set and powerfully built, just under medium height and weighing about 180 pounds. His proportions suggested those of a blunt cartridge for a .38 Smith and Wesson. His was the authentic color, very dark; his face was a heavy oval and his features were regular and fleshy. He is forty-five, and has been active in politics for twenty-six years. He was wearing a fairly well-pressed suit; three conspicuous fountain-pens were showing in his vest pocket on the right side. His white shirt had a soft collar, and his tie was blue, with small white dots. Nothing in his apparel suggested the depression except his black shoes, and polish would have changed their appearance enough to complete his look of general well-being and respectability. He sings in a choir on Sundays, but his church is not located in his ward; it is in an outlying ward of the city some miles distant from Tom's domain. There are so many varieties of church people in his division that it would be politically inexpedient for Mr. Gibson to identify himself with any minority religious group there. He often has a banner division in his ward because he is "the people's friend" and an Abraham Lincoln Republican.

Unlike the majority of his people, Mr. Gibson was born in the ward in which he now lives. His father "had worked a little in politics" before him, but had never received a steady job at City Hall out of it. "We lived near Councilman Knapp—he was only a division leader then, and when I was nineteen, he said, 'Tom, your family is well known here—I want you to go among your people, and explain this election to them; see that they vote the right ticket.' I talked to my friends and then they all said that they would do that for me, and that got me started. Knapp came around to my house afterwards and thanked me in person. He paid me too, but that didn't mean so much as the way he said, 'I want you to go along with me in these elections from now on.' I stood by him from then on. Of course, we were not in the majority then, but about all the colored vote in the ward was in our division. Sometimes the organization would lose the other divisions, but we always saved the ward. Councilman Knapp never lost his division after I got started. I served the people when I started, and I serve them today. I say, 'See here! I work for you every day in the year and I ask you to work only one day for me. Yes sir!—vote my ticket—that's all I ask!' "

Mr. Gibson went on. "I was active around the polls for twelve years before I got on the committee. But when the colored vote got in the majority they

had to put me on. I was Councilman Knapp's partner at first; now he is ward leader and I am the one that the people look to in the division. Many whites come to me too."

Tom Gibson is one of sixteen children. He went as far as the ninth grade in the public schools. He sold newspapers as a boy and "that helped me know human nature," as he put it. He worked around on election day for three years before he got a job. "Then they recognized me and I was appointed janitor in City Hall; for thirteen years I was there, and then I got in here" (pointing to the office that we had just stepped out of).

In answer to a question, he remarked, "Yes, it's a nice job, but the pay ain't big ($1,800 a year). You see, I have always been a great friend of Councilman Knapp, but sometimes a man gets up in the world and he makes new friends. The Lord knows that I have always stayed by Councilman Knapp. When Kendrick was Mayor he sent for me—'was I for him as delegate to the convention? Are you with me?' I told him, 'if Knapp is for you, I am for you; if he is against you, I'm against you.' Knapp remembers, because they told him about it. Then back in 1911 the Vare people gave me $250 to vote my division for Vare. They wanted me to fight Knapp—he was for Earle. I took the money and stood by Knapp. It was a bad fight that time. The XYZ ward sent over paraphernalia to show where Vare hired colored men and McNichol hired Italians and Irish. It was a bad fight but I won—I have always won. Now I would like Councilman Knapp to make me a tipstave—the first colored tipstave in City Hall. I can help others but I can't help myself." (Some of his brothers are policemen.)

There are about eight hundred voters in Mr. Gibson's division. It is a slum section of the city. Those of the voters that work are janitors, teamsters, day laborers, and dock workers. As Bryce remarked about citizens generally, voting is not one of their first interests in life. To an overwhelming majority in Tom's neighborhood, elections are merely contests between X, or the unknown, versus Tom Gibson, and, unless some other extraordinary factor arises, they inevitably vote for their friend Tom. For he, like Lippmann's Congressman, never thinks of dissipating his energy on public affairs; he prefers to do "a little service for a lot of people on a lot of little subjects, rather than to engage in trying to do a big service out there in the void."

In answer to my query about his personal service to the voter, Mr. Gibson was at his best. His face remained passive throughout our talk, but he spoke about these matters with some animation.

SERVICE FOR VOTES

"I have paid rents; I have fed people, and I do it today. Now more than ever for some of them ain't got nothing to eat. I've buried them; I've buried four during the last four years. I took a man that was to be buried in Potter's field. No man can do more than that!" I had heard examples of this sort from every powerful division leader in Philadelphia with whom I had talked. I pressed for illustrations of a more unusual sort. He looked up and opened his eyes wide, and asked, "What else is there? There hain't nothing else. I don't know anything more you can do for a person than to feed them, buy them clothes, pay their rent, and bury them when they die."

I admitted that there was no answer to that statement except that it did not include jobs or arrests.

"Well, of course, I get them jobs—I try to get them jobs. It makes less expense for me. But I can't get jobs now. The station house—I'm there every morning getting somebody out. The

colored people need more help than the white. Opportunities are more open to whites."

As we talked, we were joined by a friend of Mr. Gibson's, a colored leader in a division of the Z ward. He was nearly six feet tall, and slender. His handsome oval face was expressive, his features were fine. He looked and spoke as one definitely above the average City Hall worker in intelligence. He closely followed our conversation, and every ten minutes for an hour he glanced at his wrist watch. He finally said that he had to get back to the Controller's office. There were several white politicians as well standing across the corridor; finally they shouted, "Hey, Tom, come here!" But Mr. Gibson was not to be sidetracked; he abruptly waved his hand and said, "Go away!"

He went on, and then described his greatest service to a voter. A colored fellow named Jensen was one of a group that was present at a birthday party at a private residence. There was some drinking and singing. A white officer came in to break up the party. "He beat Jensen's head with a hammer. Then after taking one hundred and some bad stitches in the colored boy's head they tried to send him to jail. I got the policeman fired and saved the boy from going to jail. It wasn't easy. The officer stole the bill of indictment. If it hadn't been for Councilman Knapp I could never have done it. But I got him fired and told the new man not to bother my people unless he was sent for."

I asked about the number of individuals that he had helped during the last seven days. "I spend my time getting people out of trouble." He paused, and then continued, "I had eight station house cases last week." Of the eight three were in jail for drunkenness, one of them a woman, one for gambling with numbers, and four for fighting. "None of my people have been arrested for stealing for more than a month."

This simple recital indicates again that in a slum ward the most powerful weapon in the arsenal of the organization is not its party name or principles or record of its candidates, but its control of magistrates' courts. The magistrate is either a ward or division leader and when a responsible party worker says, "Judge, he is one of my voters," the magistrate understands; he has a compelling reason for discharging the prisoner. Majorities mean just as much to magistrates as they mean to any other elected official. The depression has cut off many services that the organization traditionally extends; jobs are rare now, money is limited (though welfare relief is an asset to both the unemployed and the organization), but the magistrates do business as in peace times. They are a service institution not affected one iota by the NRA, RFC, the tariff, the price of wheat in Minnesota, or the indices of unemployment or car loadings. Whether in times of prosperity or depression, a night or a year behind prison bars is unpleasant. The prisoner in the dock naturally says, "I give my vote, now and forevermore, to the politician that obtains my immediate release." (A magistrate in Tom's ward once held a prisoner for court; as the officers were taking him away, the judge remarked, "There goes a vote.")

Tom naturally calls around at the station house nearly every morning; it is very much like a fisherman visiting his nets to find out what the sea has dragged in. His thought is inevitably about a human being and not Society. Only a trapped individual can cry out in pain and only an individual can vote.

The depression has developed into a powerful agency for reform in Philadelphia. For the first time in her history, more than 179,000 citizens registered Democratic in 1933. And from the organization politician's standpoint, other thousands were afraid to register under the opposition banner, unless they were

watched or "assisted" they would vote Democratic in November. This is why the organization is worried—is seized with a fear that it has not felt since the revolution of 1905. The bitterness was heightened by the feeling that the opposition is not so much a person as an idea. "Democracy is in the air. The people don't know what they are doing. They are suffering from the depression and going toward the Democratic party like an ocean tide. They have forgotten the years in which the Republican party has befriended them."

The organization won the primary, though by reduced majorities, and three old style war leaders worked against the organization candidates for certain offices. In addition WillB. Hadley and S. Davis Wilson, anti-organization candidates for the important offices of city treasurer and city controller, contended for both the Republican and Democratic nominations. They won the Democratic nominations and what was more serious, from the organization viewpoint, their combined vote on both tickets exceeded the total vote of the Republican nominees. However, even though Hadley and Wilson win by great majorities in November, our friend Mr. Gibson faces the future sanguine and unafraid. Even though he admits there are more black Democrats in Philadelphia now than ever before, he knows that he will win. "My division is really a banner division —I've never lost it." His tiny kingdom, like the first twenty wards of the city, are the core of the organization's strength. They are the oldest wards and it is here that the people are most in need of help, and are most frequently in the police station.

Mr. Gibson's home is his club. He and the few other colored party workers rarely go to the regular ward club. The politicians are tolerant, or at least, "some of them are tolerant, but the boys congregate at my home."

Before a person can vote in Philadelphia he must either prove that he owns property or buy a 25-cent tax receipt. (This tax receipt qualification for voting has been abolished since.) In a number of wards the organization supplies the faithful with the tax receipt free. Tom explained, "They didn't insist that I pay them tax receipts, but you can tell who needs it. But elections today are different—too many watchers; more activity. It ain't the way it was. I do all of the work myself. I got one man to help me. I pay him $15 or maybe $10—it all depends on the circumstances. It ain't like it used to be years ago. We used to get $150 or $200. Now it may be $20 or $45.

"EDUCATING" THE VOTERS

"Fifteen years ago there wasn't the colored men that there is now. They never knowed what voting was. I had to educate them. The XYZ ward pays them for registering—pays them for voting. Then these XYZ warders go to my ward and expect to be paid. I once took my coat and vest off to pay a fine, but I don't like to pay them for votes. But you can't catch flies with vinegar. I say to them, 'If you ask me for $2 or whatever you get for your vote, all right. I will pay you. But then you are paid up and then you can't come around during the year for help." Mr. Gibson emphasized this point. He preferred to serve the voter, but if he demanded cash, he could have cash; but he could not have both.

"Suppose the man is paid for his vote and then after three months or so gets locked up and sends for you?" I asked. "Well, I get him out of the station house. Then a year later election comes around again and he is very hard up and must be paid. So I give him the cash at the next election too. But," here he opened his eyes wide and looked at me before proceeding, "then he gets locked up again and sends for me. *This time I use my judgment.* I tell them they can't have both. Shucks,

they don't know what they're doing when they take it in cash—the service is worth lots more to them!"

Although this is a description of a specific group and its leader in a certain city, it portrays both more and less than Philadelphia. It is just as revealing of kindred and like-minded neighborhoods in New York, Chicago, and Milwaukee, as it is of Tom's domains in America's "City of Firsts". And because groups with other habits of mind and cultural patterns, both in Philadelphia and elsewhere, react differently to social and political stimuli, this sketch is not closely descriptive of them. To understand a leader, one must consider him in connection with the groups he leads and serves.

This manuscript was read by a colored student at the University of Wisconsin. His comment follows: "This is an apt example of the negro's attitude toward politics. Many of them can see no place for government but to give out aid to them and help them in times of trouble. Their first question when asked to vote for a candidate is 'Will he give me a job, or will he help me when I am in trouble?' In 1932 when I worked for La Follette in my district in Madison, I was kept on the defensive because I could not show them definitely how La Follette could supply them immediately with jobs. A negro politician from Milwaukee played up very effectively that La Follette did not have jobs to give."

On November 7, 1933, Philadelphia overwhelmingly repudiated the Vare leadership. All of his major candidates lost, and the opposition candidates—those of the Democratic and Town Meeting Party—won by great majorities. However, in Tom's ward and division, the Vare ticket won by approximately its normal handsome majorities. Was this because Tom's people thought differently, or did not think at all? Tom's role in the political process is not that of a leader of public opinion but the personal agent of a vested interest — the party organization. In chemical terms, he is a buffer solution —his energy is bent on maintaining the status quo; he is a narcotic in the arm of democracy. Instead of a free discussion about public questions he offers the sovereign citizen a friendly greeting, a loaf of bread, a discharge from an arrest, or a decent burial. The limit of attention is the limit of democracy. A fraction of the electorate does not see beyond its division leader; even some of the voters that do, in these unusual times, may not hesitate long to vote for Tom's ticket when the choice is between a free vote and a free person.

Mr. Gibson did not tell me any secrets. He patiently, methodically, and solemnly described the democratic process down where he lives. He realistically defined politics in terms of his own racial and cultural groups. And the outcome of an election is directly related to the size and variety of racial and cultural groups such as these within a city's borders as well as to groups within it that are on a higher economic and cultural plane. This is why a city cannot advance much faster than its substantial masses. In numberless cases the issue in these cities is joined between those who vote for an idea, or an ideal, and those who vote for a concrete favor or a friend—and Tom Gibson is a friend to many of the eight hundred in his division; he is a "missionary who does not even think of reform as an afterthought."[2]

[2]It should be noted that in times of depression the wants of the people are greater than is the power of the local boss to satisfy them; depressions therefore tend to liquidate local bosses and create national ones. Franklin Roosevelt, Huey Long, or Father Coughlin plus a national broadcast, the press, and the motion picture may dramatize an idea during these times that will prove more compelling on election day to an increasing number of people than will the corporeal presence of the leader—the wet nurse of democracy—standing in their own bailiwick.

Ohio Cities Battle Depression and Tax Limitation

Poor relief, shrinking valuations, and tax delinquency combine to increase burden of debt

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THE CITIES of Ohio face the most critical financial period in the next few years of any time in the history of the state. Within the span of the last five years the cities have waged a losing battle against depression and severe tax limitation.

The state of Ohio, the fourth richest state in the Union, has been regarded as a backward state in taxation for a great many years. The state is predominately rural; it has been reluctant to improve its financial status so far as the cities are concerned. Ohio has turned a complete circle in drastic tax limitation. In 1910 the famous "Smith one per cent law" was adopted which nearly throttled the units of local government. After some ten years of operation the Smith law resulted in serious financial abuses. Accumulated sinking funds were robbed, bond-fund money was diverted for operating purposes, and millions of dollars in floating debts were illegally accumulated. The final result was the saddling of approximately $50,000,000 in deficiency bonds on the cities. So intolerable was the situation that in 1922 the Griswold act was passed outlawing term bonds and establishing serial bonds. The ten-mill limitation was increased to fifteen mills in 1927, and this was written into the constitution several years later, establishing another bad precedent. The situation continued bad but was tolerable despite this indefensible constitutional amendment.

In the summer of 1933 powerful real estate interests proposed a further change in the constitution. A skillfully organized campaign, which sought tax reduction regardless of consequences, quickly put a ten-mill limitation into the state constitution, effective January 1, 1935. At the same election, while the voters reduced their taxes, they approved an expensive old-age pension law, necessitating additional tax revenue. This was the situation which the cities faced at the beginning of 1935.

How have Ohio cities withstood the last five depression years? The eight largest cities in the state, which include Cleveland, Cincinnati, Toledo, Columbus, Akron, Dayton, Youngstown, and Canton, representing 2,633,000 population, 40 per cent of the total population of the state, and 68 per cent of the total urban population, were selected for study during the period 1930-1935 for comparison and trends as to debt status, taxation, and maintenance of municipal operations. The combined tax duplicate of these cities represents 42.2 per cent of the entire state tax duplicate. All public utilities and similar enter-

prises were eliminated from the comparison in order to establish a comparable basis.

DEBT BURDEN INCREASES

For the years studied, 1930 through 1934, the net general debt showed a steady increase. The following table shows the combined net general debt for all the cities with corresponding index numbers, using 1930 as the index 100.

	Net General Debt	Index No.
1930	$183,774,964	100.0
1931	189,461,121	103.1
1932	191,689,424	104.3
1933	194,293,907	105.7
1934	195,952,297	106.6
Average	191,034,343	103.9

The increase was due invariably to one or a combination of the following reasons: (1) the burden of poor relief, (2) shrinking tax valuations which provided lower revenues for operation, or (3) public works programs to alleviate unemployment.

As applied to individual cities, not all the cities increased their net general debt. The city of Cincinnati reduced its net debt from $40,893,801 in 1930 to $36,301,077 in 1934, an 11 per cent reduction. The city of Canton reduced its net debt from $3,516,039 to $3,465,448 during the same period. All other cities recorded debt increases, the largest increase being that of Columbus. The net general debt of Columbus stood at $11,122,521 in 1930 as compared to $15,570,050 at the end of 1934. The net debt of Youngstown was increased from $3,946,917 in 1930 to $4,995,089 in 1934. Cleveland increased its net debt from $68,390,703 to $78,146,788. The combined debt has increased from $183,774,964 in 1930 to $195,952,297 in 1934, an increase of 6.6 per cent. The following table of index numbers of the net general debt as of December 31, 1934, with the year 1930 used as a basis for the index 100, shows the increase or decrease for the individual cities.

	Net General Debt 1930 — 100.0
Cleveland	114.3
Cincinnati	88.8
Toledo	101.2
Columbus	140.0
Akron	101.0
Dayton	111.7
Youngstown	126.6
Canton	98.6

As would be anticipated from these figures, the per capita debt increased in general. The combined per capita debt of the eight cities increased from $68.99 in 1930 to $73.56 in 1931. Using index numbers, the per capita debt is identical with the net general debt index numbers shown above. Comparisons of the individual cities showed per capita debt increased with but two exceptions, Cincinnati and Canton. The former reduced its per capita debt from $90.64 in 1930 to $80.46 in 1934, and the latter from $33.50 to $33.02. The per capita debt of Columbus showed the largest increase, increasing from $38.28 in 1930 to $53.59 in 1934. Cleveland showed the next largest increase during the period, increasing from $75.95 to $88.84 in 1933, dropping back to $86.79 in 1934. In the majority of cases the rest of the cities showed increases.

THE BURDEN OF DEBT

Ohio cities entered the depression heavily burdened by debt. This burden has continued heavy and in many instances grown heavier with each year of the depression. In 1930 the eight leading cities were paying out more than 40 per cent of their total expenditures for debt service; in 1934 this burden was still 36.9 per cent, in spite of the fact that at least three cities refunded maturing bonds in that year and diverted bond money to operating expenses. In 1934 Cincinnati, due to its vigorous policy of debt retirement, spent 47.2 per cent of its total operating expenses for debt service. Toledo, however, diverted $1,800,000 in bond revenues to operating expenses, hence spending only 30.5 per cent of its total

expenditures for debt. In 1935, however, the budget allots $2,013,000 in general operating revenues to the general operating departments and $3,313,000 for debt service, a decidedly unfavorable picture.

The following data show the ratio of government cost payments for interest on general debt and redemption of general bonds to total expenditures of these cities in 1934:

City	Ratio of Debt Service to Total Expenditures
Cleveland	30.5[a]
Cincinnati	47.2
Toledo	30.5[b]
Columbus	38.5
Akron	39.2[b]
Dayton	40.8
Youngstown	40.6
Canton	43.6[b]
Eight leading cities	36.9

[a]A deficiency bond issue of $4,560,000 accounts for this low ratio.

[b]A lower than normal ratio due to diversion of debt service revenues to operating expenses in 1934.

Ohio cities have been able to cut the total expenditures for debt service during the depression. In 1930 the eight largest cities were paying out $15,426,099 for interest on general bonds; by 1934 this had fallen to $13,244,984, a reduction of 14.2 per cent. Toledo, Akron, and Youngstown were paying more interest in 1934 than in 1930, while the other five cities were paying a smaller amount than at the beginning of the depression. In 1934 total expenditures for debt service were only 79.2 per cent of the 1930 total, due to Toledo, Akron, and Canton reducing their payments on principal for that year. The following data show the downward trend of debt service for the eight Ohio cities for five recent years:

Year	Debt Service	Index No.
1930	$35,641,000	100.0
1931	39,151,000	109.8
1932	32,788,000	92.0
1933	31,929,000	89.6
1934	28,225,000	79.2

A somewhat irregular trend in the retirement of general bonds has taken place in large Ohio cities in the last five years. In 1930 these cities retired $35,641,000 in general bonds. The following year this was increased somewhat to $39,151,000. Since then there has been a substantial decline in the volume of retirement and a considerable amount of refunding has taken place. In 1934 the retirement total fell to $28,225,000. Ohio cities are plunging further and further into debt. Despite a retirement of nearly $95,000,000 in general bonds since the depression began, these eight large cities have increased their outstanding general debt by 6.6 per cent to $196,000,000. With the present severe tax limitation law in the constitution, the future is not bright for rapid retirement of the public debt in Ohio.

BOND MARKET DECLINES

Comparison of the sale of general bonds during the individual years revealed some startling facts with regard to the market for Ohio bonds. The following table shows the combined bond sales and corresponding index numbers with the year 1930 as the index 100.

	Sale General Bonds	Index No.
1930	$18,769,087	100.0
1931	21,009,414	111.9
1932	8,700,156	46.4
1933	8,207,571	43.7
1934	14,081,405	75.0

The lowest point in the depression occurred in the years 1932 and 1933 when a little more than $8,000,000 in bonds were sold each year. The high point occurred in 1931 when more than $21,000,000 were sold. The large sales of both 1930 and 1931 can be directly attributed to sales for public works to alleviate unemployment and to finance poor relief. In the latter part of 1931 and the beginning of 1932, when it became apparent that the depression was not at an end, the Ohio municipal bond market headed for the bottom which occurred in 1933. Of course, other factors such as tax delinquency, which was increasing rapidly in 1932 and which

reached an unprecedented high in 1933, enter into this picture. The burden of poor relief was carried solely by the cities until late in 1932 when federal assistance began to be provided and cities were relieved of responsibility. Because of improved tax collections and other factors the market partially recovered in 1934, nearly doubling the sales of 1933. A substantial part of these sales, however, are the result of extensive refunding programs which were completed in 1934.

The lowest sale recorded during the period was in Toledo when but $8,000 in general bonds was issued in 1932. However, Toledo defaulted in 1933 and a total of $3,287,000 in refunding bonds were issued and exchanged with bondholders in 1934. Canton sold no bonds at all in 1933, but $254,000 in refunding bonds were issued in 1934. Akron issued refunders in 1933 and 1934. The largest sales were recorded in Cleveland in 1933 and 1934. In 1933 Cleveland issued $4,964,000 and the following year $4,560,000. The issue of 1934 was a deficiency bond issue which was voted by the people. The city of Cincinnati which has been exceptionally well managed experienced no difficulty in selling its bonds throughout the depression. In 1932 more than three and a half million dollars in bonds were sold and the following year more than a million and a quarter dollars in bonds were sold.

TRENDS IN TAXATION

While the tax duplicate and the revenues from general taxation declined steadily in the last five years, tax rates showed a decided increase particularly for the years 1934 and 1935. The following table shows the combined tax duplicates of the eight cities, the average tax levy each year and the combined revenue receipts in dollars as expressed by the application of the tax rate of the individual cities to their tax duplicate.

	Tax Duplicate	Tax Levy in Mills	Tax Levy in Dollars
1930	$5,747,043,360	9.41	$54,066,946
1931	5,080,597,150	8.55	43,443,630
1932	4,369,380,470	9.19	40,140,905
1933	3,826,928,700	9.37	35,853,725
1934	3,730,861,169	10.67	39,817,805
1935	3,610,408,854	10.65	38,438,249

As shown by the table the combined duplicates dropped steadily each year since 1930. The average annual tax levy in mills dropped nearly a mill in 1931 but advanced in 1932, advancing steadily until 1934 where it remained practically the same for 1935. The tax levy in dollars dropped steadily until 1933, the lowest point in the last five years. During this period tax delinquencies were at their highest point of any time during the depression. Beginning in 1934 tax collections partially recovered.

These figures are more significant if expressed in terms of index numbers with 1930 as the index 100.

	Tax Duplicate	Tax Levy In Mills	Tax Levy in Dollars
1930	100.0	100.0	100.0
1931	88.4	90.9	80.3
1932	76.0	97.7	74.2
1933	66.6	99.6	66.3
1934	64.9	113.4	73.6
1935	62.8	113.2	71.1

It is likely that the year 1935 will be very close to the minimum tax valuation. The constant trend since 1930 has been toward lower valuation. With the enactment in 1934 of the sales tax in Ohio, which became effective in 1935 as a measure to replace the five mills removed from the fifteen-mill tax limitation, funds are advanced to the cities and counties on a basis of the relationship of the combined tax duplicates with respect to the tax duplicate of the entire state. This will have a tendency to keep further reductions in the future at the barest minimum since further reductions in the individual cities would only reduce the cities' share of the sales tax revenue. The tax levies in the tables above include levies for

general operating, debt service, and special levies voted by the people.

The revenues from general and classified property taxes and the total revenue receipts from all sources combined further corroborates the dangerous financial situation into which Ohio cities are heading. The combined data of the eight cities is set up in the following table:

	Revenue from General and Classified Property	Index Nos.	Total Revenue Receipts	Index Nos.
1930	$53,223,682	100.0	$91,798,525	100.0
1931	50,737,909	95.3	87,427,894	95.2
1932	42,161,615	79.2	84,718,136	92.3
1933	37,304,964	69.6	73,557,168	80.1
1934	42,116,797	79.1	72,634,069	79.1

Using index numbers for the individual cities as of 1935, with 1930 as the index 100, the tax duplicate and tax levy in mills and dollars are as follows:

	Tax Duplicate 1935	Tax Levy in Mills 1935	Tax Levy in Dollars 1935
Cleveland	59.3	148.9	89.1
Cincinnati	72.4	92.0	66.6
Toledo	61.4	84.7	52.0
Columbus	61.6	87.1	53.6
Akron	52.6	111.1	58.5
Dayton	78.8	105.4	83.0
Youngstown	64.0	99.5	63.7
Canton	47.0	82.0	37.4
Average	62.8	113.2	71.1

The voters of Cleveland approved a 4.52 mill levy in 1934 for municipal operation which, in addition to a voted deficiency bond issue, places Cleveland's tax levy in mills well over the index of 1930. The remainder of the cities did not fare so well, being affected by the drastic ten-mill limitation. Cincinnati by charter provision is not affected by the ten-mill limitation. However, some reduction was made notwithstanding this situation. The average tax duplicate index in 1935 is 62.8, a reduction of 37.2 per cent, while the tax levy in mills actually increased 13.2 per cent over the 1930 index. Tax receipts in dollars from the levies declined 38.9 per cent. In general, with but one or two exceptions as indicated, all eight cities had practically the same experience over the five year period.

EXPENDITURES INCREASED

While revenues have been largely on the decline, expenditures for operation and maintenance have been on the increase in general. The combined cost of operation and maintenance and the total cost including interest and bond redemption of the eight cities for the years 1930 to 1934 inclusive is as follows:

	Operation and Maintenance	Debt Service	Total
1930	$51,434,839	$35,641,311	$87,076,150
1931	55,672,736	39,151,326	94,824,062
1932	51,575,982	32,788,459	84,364,441
1933	52,292,262	31,929,462	84,221,724
1934	48,203,312	28,225,108	76,428,520

These figures reflect two trends: in general, increasing expenditures for operation and maintenance and a downward trend in total expenditures due to slight reductions in bond retirement and interest charges. Expenditure for operation and maintenance in 1932 and 1933 were greater than in 1930; the cost of debt service was somewhat below the 1930 level. The cost of operation and maintenance and debt service of the city of Cincinnati has been reduced materially in the last several years. The city of Cleveland maintained a fairly stable level of expenditure from 1930 through 1933 which was the lowest point reached. The cost of operation and maintenance went up in 1934. Toledo made substantial reductions in operation and maintenance and debt service in 1934 as did nearly all of the remainder of the cities, more or less. In every case the high expenditure year for debt service and operation and maintenance occurred in 1931. In general, this is accounted for through poor relief expenditures, budget trimming not becoming a vital issue until 1932. In 1934 all the cities were relieved entirely of poor relief responsibility, and this ac-

counts for the apparent large reduction in that year.

THE TREND IN WAGES AND SALARIES

Ohio cities have made retrenchment in a number of lines in the last five years. The worker on salary has been one of the principal targets for economy. Total expenditures for these eight cities declined from $43,719,000 in 1930 to $35,443,000 in 1934, a decline of 18.3 per cent. The slowness with which Ohio cities reduced payrolls is shown by the fact that in 1931, these cities paid out more money in wages and salaries than in 1930, the increase amounting to nearly $1,500,000. The downward trend in salaries and wages paid by these cities is indicated in the following data:

Year	Total Salaries and Wages paid by Eight Cities	Index Nos.
1930	$43,719,000	100.0
1931	45,200,000	103.4
1932	37,153,000	85.0
1933	34,970,000	80.0
1934	35,443,000*	81.7

*Cleveland estimated.

These cities have shown decided differences in reducing payrolls. The average city of this group was able to reduce its payroll expenditures by 18.3 per cent, from 1930 to 1934. Akron cut its payrolls by 42.9 per cent in the four years, the most drastic reduction suffered by any city in this group. On the other hand, Cincinnati had to reduce salaries and wages in the aggregate by only 11.9 per cent. These reductions have taken place both in number of personnel and in wage reductions, some of which are temporary in nature.

All eight cities have put salary cuts into effect during the depression. Many of these have been substantial. In Akron, for example, the police and firemen were cut 10 per cent in 1931 and 25 per cent in 1932, these cuts still being effective. Few cities cut salaries in 1930, but all made cuts effective in the following year. Little restoration of these cuts have been made to date. Cincinnati has shown the best record with a substantial salary restoration in both 1934 and 1935. This city has now restored all salary cuts made to city employees in the lower brackets. In 1935, Columbus and Cleveland are also making some restoration of salary cuts for the first time since the depression began. As might be expected the cost of government was reduced where it was easiest and as a result Ohio cities have cut payrolls more deeply than any other item of expense.

POLICE AND FIRE PERSONNEL

In every city the police and fire departments are the largest and have the biggest payrolls. Due to their essential services it is not to be expected that substantial reductions in personnel would occur during the depression, nor have such reductions taken place. The seven largest cities in this group carried 3,072 firemen on payrolls in 1930 and 2,924 in 1935, a net reduction of only 148 or roughly, 5 per cent. The reduction in the police personnel was almost identical. The following data show the trend in number of policemen and firemen employed for five years:

Year	Fire Personnel (7 cities)	Police Personnel (6 cities)
1930	3,072	3,235
1931	3,044	3,212
1932	2,975	3,180
1933	2,877	3,090
1934	2,864	3,054
1935	2,924	3,074

Two cities in the group in 1935 had more firemen employed than in 1930. All other cities had less. No city in the group had as many policemen in 1935 as in 1930. The most drastic reduction in personnel took place in Toledo where a reduction of nearly 20 per cent in the number of firemen and almost 10 per cent in the number of policemen took place in the five years.

Striking differences were found in comparing cities of similar population for ratios of firemen and policemen per

100,000 population. In Dayton there were 105 firemen per 100,000, while Akron had only 69 per 100,000. These cities are of nearly the same size. Toledo and Columbus are identical in size yet Toledo has 125 firemen per 100,000 to 111 in Columbus per 100,000.

Similar differences were observed in number of policemen per 100,000 population. For example, Columbus had 107 policemen per 100,000 against 128 per 100,000 in Toledo. The larger cities with greater crime problems might naturally be expected to have more police per 100,000 population. Yet the tendency of certain cities to load service departments with excessive employees is evident in several marked cases in this group.

The following data show the ratios of police and fire personnel to population in the cities from which data could be obtained in 1935:

City	Population	Fire Pers. Per 100,000 Population	Police Pers. Per 100,000 Population
Cleveland	900,429	119	155
Cincinnati	451,160	138	137
Toledo	290,718	125	128
Columbus	290,564	111	107
Akron	255,040	69	69
Dayton	200,982	105	99
Youngstown	170,960	89	—

OUTSTANDING ECONOMIES DURING DEPRESSION

Each city has its own peculiar financial problems. Yet each follows essentially similiar tactics in meeting the problem of falling revenues. Cleveland met its reduction of 20.6 per cent in revenue receipts by reduction in salaries and wages, in purchases of supplies, and in maintenance and service items. Cincinnati reorganized certain offices, adopted more productive methods of operation, left vacancies unfilled when possible, as well as made salary cuts. Toledo met its decline of 37.3 per cent in revenue receipts by salary reductions, fire and police personnel reductions, reductions in purchases and supplies, and a few minor economies.

Dayton made substantial salary cuts for all employees, eliminated from 25 to 30 men from both fire and police departments, despite the annexation of new territory. Hospital contributions were reduced from $132,000 to $66,000 and welfare work from $493,000 to $364,000. Street lighting was cut from $130,000 to $83,000.

In certain cities there is evidence that retrenchment has resulted in genuine economies and more effective administration; in others, reductions were made where political expediency dictated. Payrolls almost invariably suffered the heaviest slashes.

THE FUTURE OF OHIO MUNICIPAL FINANCE

Several outstanding conclusions on the future of Ohio municipal finances seem evident. First, the debt future of Ohio cities is very dark. Present revenues, handicapped by severe tax limitations, give little leeway for rapid debt retirement. The total debt of Ohio cities has increased during the depression and this trend is likely to continue at a faster pace with the return of prosperity.

In the second place, the depression has revealed the fact that Ohio has one of the most antiquated tax systems in the country, a crazyquilt of patchwork legislation, so complex that even tax officials find much difficulty in administering it. The great reduction in the tax duplicate and the absurd constitutional limitation on tax levies has caused a substantial decline in the importance of the general property tax. A new scientific tax law is imperative.

The constitutional amendment, reducing property tax rates to ten mills, caused many local governments to face bankruptcy or severe curtailment of services, due to a reduction of

(Continued on Page 418)

NEWS OF THE MONTH

NOTES AND EVENTS

Edited by H. M. Olmsted

Council-Manager Charter Progress.—In Pennsylvania, several bills which will enable first-, second-, and third-class cities to adopt the manager plan are in various stages of legislative action. The Maine legislature has enacted council-manager charters for six municipalities, Rumford, Oakland, Richmond, Ashland, Calais, and Eastport, all of which must vote at a special election on the adoption of the plan before it can be made effective. Troy, Vermont (1,898), at the recent annual town meeting adopted the state council-manager enabling act which was made effective at once. Ashland, Maine (2,198) at a recent special election adopted the council-manager charter enacted by the legislature in February. A newly elected council of San Rafael, California, being unfavorable to the manager plan, on May 6, rescinded the council-manager ordinance adopted in 1915. On June 11 the voters of Beacon, N. Y., defeated the manager plan for the second time. The vote was 1,273 to 488.

*

No Constitutional Convention in Rhode Island.—The third special session of the Rhode Island General Assembly ended recently without providing for a referendum on a call for a constitutional convention, as has been urged by the governor and others. Both major political parties are reported to have agreed to the abandonment of the proposal at this time—the Republicans because a revision of the constitution would not be to their interest, and the Democrats because of opposition of the small towns and the desire for party harmony in view of next year's campaign.

Electoral Redistricting in and About Paris.— By recent action of the French parliament the number of members of the municipal council of Paris has been increased from 80 to 90; and the council general for the department of the Seine has been increased from 120 to 140. This means a net increase in the proportion from the suburban cantons, which reflects the more rapid increase of population in the suburbs than in the central city.

To provide the additional members some of the more populous districts have been divided, creating five (and in one case six) districts in some of the Paris *arrondissements,* and three districts in some of the suburban cantons. But the new arrangement still leaves large variations in the population and number of voters in the several districts. Three of the Paris districts which have not been divided have a larger number of voters than one of those divided into two districts; and the number of voters ranges from 862 to 13,655. The new districts are all in the outer circle of Paris *arrondissements* and in most of the suburban communes. The inner group is largely overrepresented.

An account of these changes, with maps, will be found in *L'Illustration* for March 30, 1935.

JOHN A. FAIRLIE

*

Local Elections Draw Minority of Possible Voters.— From an analysis of the 1933 and 1934 council elections in 800 cities of over 10,000 population the International City Managers' Association finds that only 41 per cent of the population over twenty-one years old are enough interested in their voting rights to participate in the choice of members of their local governing body. More interest, further, is shown in the smaller cities than in the larger ones.

Results show that only twenty million, or

60.4 per cent, of the thirty-three and one-half million people over twenty-one years of age in these cities were registered voters in 1934. Hardly more than two-thirds of this number actually cast their votes in local elections.

In the largest cities—those over 500,000—over half the people registered to vote, but 30 per cent of these did not go to the polls.

In cities from 30,000 to 500,000 population, persons actually voting were between 61 and 71 per cent of the number registered, and only about two-fifths of the number old enough to vote.

Cities of 10,000 to 30,000 had the largest number of registered voters in proportion to population—67.8 per cent—and in the last council election 67.6 per cent of these went to the polls; but even this number represented less than half of those who were old enough to vote.

In *The 1935 Municipal Year Book* these figures are compared with the vote in the presidential election of 1932, which brought out approximately 54 per cent of the total population over twenty-one in the United States.

*

Emergency Relief Administration and the Merit System.—Testifying before the aldermanic inquiry into New York City's emergency relief, President James E. Finegan of the municipal civil service commission said he thought it regrettable that those who had set up the emergency relief program did not realize that it was the finest opportunity ever offered to comply with the state constitutional provision for selecting employees according to the merit system; and that there was no reason why the administrative and supervisory forces of emergency relief, including unemployment relief, could not have been selected by examination.

*

Engineers' Conference to Consider Taxation.—Stevens Institute of Technology, Hoboken, New Jersey, has announced that its fifth annual Economics Conference for Engineers, to be held at the Stevens Engineering Camp, Johnsonburg, New Jersey, August 10 to 17, 1935, will have as its general theme, "Taxation and Cost of Government." This conference is primarily intended for graduates of engineering colleges; but it is hoped that others professionally interested in questions of taxation will wish to attend the conference or part of it.

*

Education and Occupations of Legislators.—In making a sample survey of state legislators in sixteen states the American Legislators' Association finds that 46 per cent of the members of state senates are college graduates and 11 per cent more attended college but received no degrees. Degrees from business colleges are counted as "attending college". In the lower house of state legislatures included in this sampling, 31 per cent of the members are college graduates and 11 per cent more attended. Taking both houses together it is found that 34 per cent of all state legislators are college graduates.

The states included in this sampling represented the country geographically, as well as rural, urban, industrial and agricultural areas. The states studied are Minnesota, Wisconsin, Georgia, Iowa, Maine, Nebraska, Missouri, New Hampshire, New Jersey, North Carolina, South Dakota, Vermont, California, Oregon, Michigan and New York. The combined population of these states is approximately fifty million.

The association further finds that of the 7,500 legislators in all the forty-eight states, 24 per cent are farmers and the same number are lawyers. Other professions add 5 per cent and the rest are classified as "business men, retired and miscellaneous".

*

State Planning Legislation.—During the sessions of state legislatures in the first four months of 1935, laws to establish state planning boards have been enacted for nineteen states, according to the National Resources Board. In addition to these states, planning boards were previously authorized through laws or resolutions in seven states. This addition makes a total of twenty-six states, excluding the District of Columbia, which have legislation authorizing state planning. Prospects for passage of new laws seem favorable in a number of other states including California, Iowa, Massachusetts, Ohio and Oklahoma. Some of the state legislatures do not meet until later in the year.

A remarkable group of six state planning statutes has just been enacted by the Tennessee general assembly. These statutes include legislation on the subject of state and regional

planning, county zoning through regional planning commissions, regional subdivision regulation, municipal planning, zoning and subdivision regulation.

"Perhaps the most outstanding of the Tennessee bills," says Walter H. Blucher, executive director of the American Society of Planning Officials, "is the state planning bill, for, in addition to the customary provisions creating a state planning board and defining its powers, this statute authorizes the board to create and define planning regions within the state and to appoint the members of these regional planning commissions. As a means of giving effect to regional planning, this statute provides that no state financial aid to roads or other public improvements shall be granted within any planning region created by the state planning board without the approval of the state planning board."

Indiana is another state which recently passed state planning legislation. It has enacted three laws, one dealing with state planning and creating a state planning board, with the customary powers, the second providing for county planning commissions, and the third providing for municipal planning commissions and for municipal subdivision regulation and mapped streets.

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Kentucky Holds Police School.—The first annual police training school for police officials of Kentucky was conducted on April 17, 18 and 19 at the University of Kentucky under the joint auspices of the University and the Kentucky Municipal League, according to the news letter of the International Association of Chiefs of Police. There were 146 registrants. The school was attended by city police, state police, county sheriffs and deputies, county patrolmen and federal agents.

At the conclusion of the school the "Kentucky Peace Officers' Association" was organized with W. E. Bryant, Chief of Police of Paducah as president and Carl B. Wachs, executive secretary of the Kentucky Municipal League, secretary-treasurer. The new organization will hold its first general meeting with the Kentucky Municipal League.

*

Planning Programs and Housing Programs.—Close coördination of housing and land-use planning is urged in a resolution passed at the Conference on City, Regional, State and National Planning, held in Cincinnati, May 20-22, representing opinion of the National Conference on City Planning, the American Society of Planning Officials, the American Civic Association and the American City Planning Institute. According to the resolution: "Housing which is socially adequate and economically justifiable depends not alone upon satisfactory project design but upon competent neighborhood planning and the sound relation of the project to comprehensive considerations of land utilization, population distribution and the desirable structure of the community."

COUNTY AND TOWNSHIP GOVERNMENT

Edited by Paul W. Wager

Ohio—Legislative Program of Commission on County Government.—Rural conservatism combined with the influence of county officeholders blocked the passage of the greater part of the county reorganization program, presented to the Ohio legislature by the Commission on County Government. This program consisted of ten measures embodying the principal recommendations of the Commission based on a careful survey of county administration. Of the ten bills introduced, the six most important passed the senate and three were adopted by both houses, one of them being vetoed by the governor.

The two bills which finally became law were the measures of principal concern to the large urban counties. One of these acts allows the county to contract with any local subdivision within its boundaries to render for the subdivision any service which the latter can legally perform for itself, the cost to be charged back to the contracting subdivision. In effect this law authorizes the transfer to the county of any local governmental activity by voluntary agreement between the subdivision and the county. This measure, therefore, opens the way for the gradual shifting of services to the county and the eventual integration of some of the major functions, such as welfare, police, sewers, and water supply, which need unified administration in metropolitan areas.

The other act is an omnibus measure extending county powers, particularly those of

counties adopting charters, to include several functions which the urban counties desire to set up on a county-wide basis. Among these are health administration, noninstitutional poor relief, and parks. While under the county home rule provisions of the Ohio constitution any of these functions could be transferred to the county by charter provision, to do so would necessitate the approval of the charter not only by a majority vote in the entire county but also by a majority in each of more than half the townships and municipalities within the county—a very difficult hurdle to leap. This act will allow the charter county to take over three important municipal functions needing unified administration in urban territory and yet avoid the necessity of securing the exceptional majorities in the adoption of the county charter.

As Ohio counties already have the power to acquire and maintain hospitals, sewers, and water systems and as the policing authority of the sheriff is, of course, county-wide, the combination of these two acts and the existing law provides a broad opportunity for the development of the county unit, which is the most practical solution of the metropolitan problem in the case of most urban areas of Ohio. These two measures will prove of far-reaching importance to the larger counties, it is believed, and can be of considerable value to rural counties as well.

The balance of the program was designed primarily to meet the needs of rural and medium-sized counties, which are less likely to undertake the preparation of their own charters. It provided both for the county desiring complete reorganization and for those which are only interested in a partial simplification of the existing arrangement. The major bill authorized three optional plans subject to adoption by vote of the people in any county. These optional plans are described on page 228 of the March issue of this REVIEW.

The secondary measures of the program permitted the merger of certain elective county offices, the consolidation of welfare activities in a single department, and the establishment of an improved system of centralized purchasing. Another bill, one of the two mandatory measures in the program, abolished the coroner and substituted a medical examiner system. The first of these proposals ran afoul of the organizations of county officials as was to be expected. The welfare department bill, which struck at the worst hodge-podge in Ohio county administration, passed the legislature only to be vetoed by Governor Davey, whose pet aversion, loudly proclaimed, is professionally trained public welfare service.

Fortunately, county reorganization in Ohio does not entirely depend upon the state legislature, the lower house of which is dominated by the conservative rural counties. Four counties, those containing the cities of Cleveland, Cincinnati, Toledo, and Youngstown, are now at work on county charters and there is considerable interest in the election of charter commissions in several other large counties. While a good optional plan law would have facilitated reorganization in small and medium-sized counties, much progress can be made by the charter method pending the adoption of such legislation.

R. C. ATKINSON
Ohio Commission on County Government

Michigan—Amendment Providing for County Reorganization to Be Submitted.—In its closing hours the Legislature adopted a resolution authorizing the submission to the people in 1936 of a constitutional amendment which (1) authorizes the legislature to provide by general law for the incorporation of counties, and (2) authorizes the electors of any county to frame, adopt, and amend a charter for its government.

The two new sections to Article 8 are as follows:

> Section 32. The legislature shall provide by a general law for the incorporation of counties; such general law shall limit the rate of taxation for municipal purposes and restrict their powers of borrowing money and contracting debts.
>
> Section 33. Under such general laws, the electors of each county shall have power and authority to frame, adopt, and amend its charter and, through its regularly constituted authority to pass all laws and ordinances relating to its municipal concerns, subject to the constitution and general laws of this state; provided, that no such charter or amendment shall become effective in any county unless the same shall have been approved by a majority of the electors voting thereon of that city located within such county in which are cast the largest number of votes upon such proposition and also by a majority of the electors voting thereon residing outside the corporate limits of such city.

Oregon—Voluntary County Planning Boards Created.—Despite the failure of the 1935 session of the Oregon legislature to enact legislation creating county planning commissions, voluntary county planning agencies are being created in every part of the state. There are eleven commissions now organized and eleven more in process of creation. Official sponsorship for this movement comes both from the Pacific Northwest Regional Planning Commission and the State Planning Board. Even without legal status it is believed that much valuable work can be achieved by the county agencies in collecting information concerning the county's natural resources and considering how these resources can be best developed and conserved. Already good work has been achieved by some of these voluntary agencies, in coöperation with the county courts. Some of them are being used to decide upon the work to be undertaken with the SERA labor force. Others have begun the systematic study of land utilization. One commission in a county with very unusual scenic and game attractions is centering its attention just now on the improvement of these recreation resources and the preparation of better maps and other information concerning them.

It is the hope that these agencies will ultimately be given official status and ample legal power, so that the work of the state and city planning boards which depend on county supplementary action may also be more fruitful.

CHARLES MCKINLEY

Reed College

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Texas—A Privately Owned County.—Kenedy County, Texas, holds a unique as well as a most important position in international affairs at the present time. It happens that this county of 1,335 square miles is owned by one man, Mr. John G. Kenedy, and Mr. Kenedy has placed a barbed wire fence around his county and is profuse with his "keep out" signs. This would be all right were it not for the fact that these signs are preventing the completion of the greatest project ever started in international road building, a direct highway to connect Mexico City with the highway system of Texas and so with the rest of the United States. For years, every authority has been appealed to to make it possible to stretch the great concrete highway through Kenedy County; but they have all failed and tourists are still detouring.

The only town, Sarita, is personally owned as is the county, and is governed by the same man. The county has never issued a bond, and has no debt. The court house was paid for in cash twenty-four years ago. There is no jail in Kenedy County. As far as Mr. Kenedy and his cattle are affected, this is Utopia; for the rest of us it is fortunate that it is not common for counties the size of the state of Rhode Island to be privately owned.

ROSCOE C. MARTIN

University of Texas

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Florida—Consolidation of Duval County and Jacksonville Fails.—Popular inertia and political opposition caused the defeat of the proposed charter consolidating Jacksonville and Duval County, Florida, into one city-county government. At the election held on Tuesday, June 18, only about 60 per cent of the voters took the trouble to go to the polls. Thus Jacksonville lost her chance to become the largest city (territorially) in the world. The charter contained many concessions to the politicians—as the event proved, too many, for they did not win machine support while they doubtless had some depressing effect on the enthusiasm of the non-political citizen for the change. The fight for the charter was led by Mr. C. D. Towers, Jacksonville attorney. He writes courageously of the future of consolidation. We are with him in the struggle for a bigger and better Jacksonville.

THOMAS H. REED

Director, The Consultant Service of the National Municipal League

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California—Merger Measure Fails to Secure Necessary Vote.—Failing by only four votes to obtain the necessary two-thirds majority, the Cunningham constitutional amendment which would permit counties, or cities and counties, such as San Mateo, to consolidate, was refused passage by the assembly, 50 to 22.

Assemblyman Cunningham of Los Angeles, sponsor of the county consolidation proposal, served notice of reconsideration and an-

nounced he will make another attempt to pass the measure.

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Ohio—Cuyahoga County Law Enforcement Proposals.—The law enforcement committee of the Cuyahoga County (Cleveland) Charter Committee has presented a program for reorganization based on the following points, enumerated in the news letter of the International Association of Chiefs of Police:

1. Abolition of the offices of sheriff and coroner.
2. Reorganization of the office of prosecutor and division and redistribution of his functions.
3. Creation of a department of law enforcement to take on the duties of the sheriff, coroner, the prosecutor and all police functions.
4. Creation of bureaus of prosecution, police, medical examination, and jail within the law enforcement department.
5. Creation of a civil law bureau to take over the prosecutor's civil functions.

H. M. Olmsted

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County Government Results of the New York Legislature.—The optional county government bill sponsored by the "Mastick Commission" on the Revision of the Tax Laws and described briefly on page 271 of the National Municipal Review for May was signed by Governor Lehman on May 16 and became Chapter 948 of the New York Laws of 1935. It will now be possible for any county outside New York City to secure the county manager plan or a county president plan corresponding to the mayor-and-council plan for cities either by petition and popular vote or by a popular vote initiated by the county board of supervisors.

The Corbett bill allowing similar changes by action of the board of supervisors with or without an advisory referendum was vetoed.

A bill was approved authorizing Monroe County, which contains the city of Rochester, to appoint a charter commission to make a study of county government and recommend changes. Such a commission had already been appointed by the county supervisors under the Fearon county home rule act of last year, but upon organizing it developed doubts as to the constitutionality of the Fearon act and requested specific authorization to proceed with its work. The commission has let it be known that it favors the general principle of an appointive county executive.

The Democrats introduced, and put through both houses of the legislature, with Senator Esquirol and Assemblyman McNamara of Brooklyn as sponsors, a whole program of county and local government reorganization bills for Nassau County on Long Island. The dominant Republican organization in Nassau, with its allies throughout the state, fought desperately to stop them. Several of the bills were ultimately vetoed by Governor Lehman, who in this and other matters displayed admirable fearlessness in disregarding partisan considerations when he thought they ran counter to sound public policy.

Some of the Nassau bills, however, were signed. Most important of these is the McNamara bill which presents to the voters at the general election next fall a new county charter. This charter does away with the present government by town supervisors who constitute the county board of supervisors ex-officio. It gives the legislative power of the county and the towns to a new county "board of representatives" elected from seven single-member districts and the chief executive power of the county to an elective county president, who appoints various boards and heads of departments. A vice-president, who presides over the board, and a comptroller, who becomes the chief financial officer of the county, are to be separately elected. The charter is obviously superior to the present antiquated form of government in many ways, but is definitely defective in some important details.

It is perhaps unfortunate that the Nassau charter comes to a vote the same day as the county home rule amendment passed early in the session, which if approved by the voters will free all the counties of the state from their present constitutional straightjacket.

George H. Hallett, Jr.
Citizens Union of the City of New York

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Tennessee—County Government.—Torn by more than usual factionalism, the Sixty-ninth General Assembly probably set a record for inactivity. Almost as soon as the Governor's biennial message had been delivered, the legislature split into at least

three blocs, identified with projected sales tax and liquor law repeal measures, and the jockeying of these and ancillary groups persisted throughout the session. The results were largely negative, and the failure to pass revenue bills has affected both state and county budgeting, and will make a special session inevitable before the end of the current fiscal year. The one bright spot amid general obscurity was passage of an enabling act for a referendum on calling a constitutional convention, for the purpose of reconstructing our ancient organic law, unamended since its adoption in 1870. When and if such convention meets, one of the major issues will be county reorganization.

Except for a plethora of "town-pump" special acts passed, little can be reported on measures designed to remedy the Dismal Swamps of our county governments. Unlike the 1933 session, which produced the illusion that legislators were interested in county reforms, no special committee on county affairs was appointed. A county consolidation bill prepared before the opening session was lost in the scramble and not introduced. Failure to pass the 3 per cent sales tax bill made it difficult for counties to give the mandatory relief in property tax levies, and a general education measure that planned important changes in county education was not introduced for the reason that no stable tax base had been provided to sustain the requisite additional outlays.

Of no little significance to future economic and social planning in this area, and providing for a greater measure of coöperation of the state and the Tennessee Valley Authority and other national planning agencies, was passage of eleven acts drafted by Alfred Bettman, under direction of the state planning board. The sponsors of these measures envisaged a close tie-in and use of state, regional, county, and municipal planning commissions with the TVA. When such state and local commissions have once been established, surveys have been made, and plans adopted, the use of land, the platting of subdivisions, construction of highways and other public works are to be integrated in accordance with modern planning and zoning practices. The county zoning measure seemed too "socialistic" for the rugged individualists in the senate, and was amended to such extent that its sponsors considered it useless.

Other statutes in this group include the following: (1) to empower counties, incorporated cities, and towns to construct, purchase, or otherwise acquire and operate electric generating or distributing systems; (2) to furnish electricity to users inside or outside incorporated limits; (3) to finance such electric plants by bond issues, and to accept grants, loans, or other financial aid from any federal agency either for acquisition or improvement of such public electric plants; (4) to validate terms already entered upon and to authorize any contract or arrangement with the TVA or any similar governmental agency for acquisition of any such system or part thereof, the purchase of electric power and energy, the terms and conditions of resale rates, financial and accounting methods, services, the operation and maintenance practices, and the manner of disposing of the revenues of any such systems; (5) to enable privately owned "utilities" to dispose of their plants to certain federal and state corporations and other public bodies and utility cooperatives without the approval or consent of the state of Tennessee or its railroad and public utilities commission.

Frank W. Prescott
University of Chattanooga

TAXATION AND GOVERNMENT

Edited by Wade S. Smith

Minnesota Tax Rates Rise Slightly.—City and village taxes in Minnesota have increased to a median of between 24 and 25 mills, as against 21.30 mills last year, according to an annual study just published in *Minnesota Municipalities*.

The increase is attributed in general to the decline in assessed valuations, which for cities and villages stood last year at $992,150,688, as compared with $862,934,425 this year, a decrease of 13.1 per cent. The municipal tax rates have risen approximately in the same ratios as the county and total tax rates.

An interesting fact shown by the study is that those units with rates under 30 mills have suffered the bulk of the increases. Whereas approximately 75 per cent of the cities and villages had rates under 30 mills in 1934, only 65 per cent have such rates this year.

The proportion of cities and villages having rates under 20 mills decreased at about the same ratio.

*

West Virginia Tax Limit Losses Unreplaced.—A notable series of charts being published currently in the bulletins of the West Virginia League of Municipalities shows graphically the effects of blanket tax limitation in that state, with cities suffering 50 to 60 per cent tax revenue losses not offset or supplemented from other sources.

A typical chart—the League is publishing one for each county—shows the school levy in 1933 to have been 23 per cent less, under the limitation amendment, than for the previous five-year average. The county itself sustained an 11 per cent loss, and the municipalities 64 per cent. Schools alone enjoyed increased grants-in-aid, according to the tabulation.

*

Special Levies in Illinois.—According to a recent study by A. D. McLarty, secretary of the Illinois Municipal Association, ninety-three municipalities in the state levied special tax rates in 1934 for a municipal band.

Thirty-nine municipalities levied a special fire protection tax, with rates ranging from .09 to .20. Furthermore, some 169 municipalities levied a special tax for garbage collection and disposal. This rate varied from .01 to .10.

*

Budgeting Aids in St. Louis.—The new city budget for St. Louis, Mo., though approximately $1,310,370 greater than last year, represents an advance over the procedure of former years, according to the St. Louis Bureau of Municipal Research. The budget is nearly $3,500,000 less than the peak reached in 1930-31.

Appropriations for city operation and maintenance are .5 per cent less than for last year. Total for city-controlled units was increased .3 per cent, while the total for state-controlled units was reduced 2 per cent, this latter reduction being due entirely to the absence of election expenses this year.

Commenting on the budgeting procedure, the Bureau in its bulletin says: "This is the second year of the operation of the budget division, established as the result of several years of effort by the Bureau of Municipal Research. During the past year the director has had an opportunity to observe the operations of the departments, to ascertain more fully their needs, and after extensive consultations with department heads and with the coöperation of the mayor's office, to set up a carefully prepared schedule of recommendations for the consideration of the board of estimate and apportionment."

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Tax Revision Council Formed.—Eight federal officials, eight state officials, and eight city and county officials compose the Tax Revision Council, formation of which was recently announced by the Council of State Governments. Initial meetings of the council were to be held in Washington early in June.

The establishment of the council was authorized last March by the Second Interstate Assembly, when it adopted resolutions concerning tax conflicts. In addition to attempting to iron out the instances of duplicate or conflicting taxation, the council will consider improved administrative methods. It will attempt also to determine which taxes may be used most effectively by each level of government.

*

Atlantic City Scrip Still in Use.—Some $1,090,308 of municipal scrip issued by Atlantic City, N. J., since 1933 is still in circulation, according to the American Municipal Association. About $5,500,000 worth has been issued in all.

Originally having a market value of 75 cents, the paper, which bears interest at 4 per cent, is now worth $1.07. Employees of the city receive 50 per cent of their pay in scrip for the last two weeks of each month.

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Newark Follows Up Tax Collections.—"It paid to pay taxes" is the current slogan of Director of Revenue Reginald C. Parnell's continuing systematic contact with taxpayers of the city of Newark.

Monthly letters to taxpayers are one element in the system, and a recent mailing cited good tax payments and payments on account of delinquent taxes as being responsible for the twenty-nine point reduction in the tax rate this year, bringing the rate to its lowest level in sixteen years.

Correction.—An error implied in a note in this department in May has just been called to our attention by Louis S. Murphy, Senior Forest Economist of the Department of Agriculture. The note, which referred to a decision of the United States Supreme Court rendered on April 1, implies that the law involved is one having to do with general property taxes. A search of the decision by Mr. Murphy indicates that the reference is only to improvement district taxes, or special assessments.

PROPORTIONAL REPRESENTATION

Edited by George H. Hallett, Jr.

Wheeling's First P. R. Election.[1]—

The citizens of Wheeling have just won a signal victory. In the short space of one month the municipal setup has been changed from ward politics to a substantial form of government and a 100 per cent new personnel has replaced the old council body.

Such a sweeping change has come like a bolt from a clear sky and sent the politicians back on their heels. The result of the charter change and election is unmistakably a ringing protest of the manner in which civic affairs have been conducted in Wheeling for several years past.

The new council is one of the most representative in the history of the city. It would be impossible to conceive this group of gentlemen, or any portion of them, banding into a majority for purposes that resulted in the ousting of the old council.

A real responsibility devolves on the new council and the citizens who elected this body will follow its progress with interest and confidence. On it rest hopes for a brighter future for Wheeling.

This was the editorial verdict of the *Wheeling News* (June 12, 1935) at the conclusion of the proportional representation count for the election of the council under Wheeling's new "Cincinnati plan" charter. There appears to be general agreement that a representative group of trustworthy public-spirited citizens has been elected to choose the first city manager and determine the policies of the city for the next four years.

[1]This account is based on information and material received from Walter J. Millard, field secretary of the National Municipal League, who covered the election as an observer for the League.

A Dependable Council

Three of the nine councilmen elected on June 4 were on the slate of nine proposed by the Wheeling Association, the nonpartisan group of young people who took the initiative in the preparation and adoption of the new charter. Two others are members of the Association and were not endorsed officially only because it was thought better policy in a slate of nine not to include more than one candidate from any one of the twelve old wards. So the council has a majority known to favor the merit system and the other principles of efficient disinterested public service. The other members are also expected to serve in the same spirit.

Referring to the variety of occupations on the new council a local humorist said: "Habig, the ex-sheriff, might run into Schultze, the banker. If he injured him, Dr. Ambrecht and Dr. Gaydosh would be called in to attend him. McElroy, the druggist, would fill the prescription. Rosenbloom, the lawyer, would enter suit for damages. If he died, Mathison, the undertaker, would have the funeral, with flowers furnished by Duffy, the florist. Goodwin, the other lawyer, would read the will."

In addition to the Wheeling Association slate, which was sponsored openly, several other slates were quietly circulated. No one of these elected more than three but each group believes it elected its best men.

A Clean Sweep

One of the most remarkable features of the outcome was the failure of any member of the old ward council to win election. Eleven of the twelve members were candidates and several ran well, but no one of them showed a wide enough popularity to win in a city-wide election in which any ninth of the voters could elect the sort of representative it really wanted.

One of the old councilmen introduced a motion to investigate the legality of the count in view of the fact that the members of the counting staff were not sworn in as public officials. It failed for lack of a second. Other members expressed the opinion that the people had spoken unmistakably for a change, that a recount would give the same result, and that it would be poor sportsmanship to try to upset the verdict on a technicality which was not required by the charter anyway.

A Record Number of Candidates

In one respect the Wheeling election was totally without precedent in the annals of P. R. elections—that is, in the number of candidates. The largest number previously recorded in this country was 43, in certain district elections in Cleveland. Even when the Irish Free State elected 19 senators from the country at large in 1925, the total number was only 76. But in this election the number of council aspirants on the ballot was 122[2]!

The votes were so widely scattered among these candidates that no one of them even approached the quota on first choices.[3] In a plurality election under these conditions it would have been inevitable that a large majority of the votes would have been wasted and probable that some minority clique would have captured the council. That P. R., without a primary, made it possible for 86 per cent of those who cast valid ballots to help elect candidates for whom they voted[4] and in other respects produced the highly satisfactory results typical of P. R. elections elsewhere, is one of the most striking proofs of its effectiveness ever given.

The following comparison with the results of the last ward plan election, held after a primary two years ago, is significant:

	Ward Plan 1933	P. R. 1935
Total valid vote	24,018	21,396
Number who helped elect councilmen	13,852	18,354
Number who failed to help elect	10,166	3,042[a]
Percentage who helped elect councilmen	59%	86%
Percentage who failed to help elect	41%	14%

[a]As pointed out in footnote 4, many of these saw some of their choices elected by others.

The total number who cast invalid ballots in this first election under P. R. was only 403, or 1.8 per cent of the total vote of 21,814. Of these 363, or 1.2 per cent, had their ballots thrown out through failure to follow the directions for proportional voting.

A Poorly Prepared Count

Under the P. R. rules adopted in Wheeling —entirely correct in principle but unnecessarily elaborate in some details—there was no escape with so many candidates from a count more laborious than the average P. R. count of the same number of ballots. A separate handling and record was required for the transfer of each defeated candidate's ballots as the candidates were reduced one by one from 121 to 9. If the present standard P. R. rules instead of the older Cincinnati rules had been adopted, all candidates who failed to poll as many votes as they had to file signatures for nomination (300) would have been eliminated together after the count of first choices and 87 transfers would have been saved without in any way affecting the final result. This improvement and others of less consequence can easily be made by local charter amendment before the next election if West Virginia adopts the home rule constitutional amendment which will be on the ballot this fall.

But even with 113 separate counts required

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[2]One candidate died the day before election day, reducing the number of actual contestants to 121. Under the P. R. rules votes cast for the deceased candidate were not invalid but were counted for the next choices marked.

Mr. Millard writes that "the reasons for the absurdly large number of candidates were several. It required only three hundred signatures to be nominated and a voter could sign two petitions. But the main reason was economic. The councilman's salary is to be $100 a month and, it being a steel town, the citizens have been hit hard. An editorial in a paper published outside the city pointed out that running for office appears to be a favorite West Virginia pastime. At the primaries enormous numbers of candidates appear, particularly for minor offices."

[3]Ambrose Habig, a former councilman and sheriff, who led in the first count and was the first to reach the quota of 2,140 (on the 93rd transfer) started with 1,226 first choices. One of the nine elected councilmen started with 428.

[4]Mr. Millard reports that undoubtedly over 90 per cent saw one or more of their expressed choices elected—it always happens that some of the ballots are not technically effective in electing candidates merely because some of their choices have already been elected by others. Five of the nine successful candidates each received the full quota of 2,140 ballots which showed him as the first available choice among the candidates with a chance of election. The others received 2,056, 1,938, 1,910 and 1,750 respectively.

there was no need for the process to take more than two days without counting through the night. In Hamilton, a city of about the same size, it has always taken less than one full day and the procedure there followed could take care of more than 122 candidates in two days. Actually it took six hours more than a solid week of continuous work to complete the counting in Wheeling.

So complete was the lack of proper preparation, however, that completion of the count with unquestionable accuracy even in this time was something of a tribute to the ability and resourcefulness of the director of the count, Frank Camiletti, a local income tax expert. The outgoing council and mayor, charged with the duty of providing for the count, turned down all suggestions that someone with previous experience be put in charge of it, made no provision for the director to visit the not distant P. R. cities of Cincinnati and Hamilton to learn their technique though this also was urged, made inadequate provision for the various properties needed, and appointed only 40 counters for the city-wide central count with the stipulation that the count must proceed day and night until completed so that even this inadequate force had to be divided into shifts. A complete description of the procedure used in Hamilton was sent the director of the count by the National Municipal League, but the restrictions under which he was forced to work made any such efficient setup impossible and nothing approaching it was attempted.

Walter J. Millard, the National Municipal League's representative, who was given every facility for witnessing the count and who bears testimony to the integrity and ultimate accuracy of the director, sends such interesting notes as the following on this remarkable proceeding: "The count theoretically took 172 hours but the force, which at the beginning was about forty, dwindled at times to ten, and for hours at a time, for reasons which were obscure, no ballots moved. Some clerks worked for thirty hours when the count began and it was the third day before anything like a shift system came into being.

"The first-choice record sheet was ruled up long after data were ready to post on it. To get a package of pencils required much argument with the city hall.

"To record the first choices for each candidate cast in each precinct necessitated filling out 11,000 cards.[5] A great many recorded a zero. To as many more only one of these ribbon-ballots forty-three inches long and three inches wide was attached. After all the entries had been made on the record sheet, it was found that one candidate had the majestic total of eleven votes. By ten on the night of Thursday, 51 hours after the first box was opened, it was known that 21,814 ballots were in the 88 boxes.

"The director's auditing experience was a great asset to secure final accuracy, he worked indefatigably, and as the count progressed introduced methods used in counts elsewhere. But he started with no experience of a large P. R. count, also he was not used to directing employees, placing responsibility, and making an analysis of the elements of a task as a production manager does in a factory. The result was a great amount of checking and rechecking. A large number of small initial errors arose, which the checks had later to remove. On the sixth day of the count two candidates had quotas and four had to be defeated. Two of these were within three votes of each other, so the ballots of those with quotas and all the continuing candidates were re-examined to be sure they were properly credited. It took eighteen people twenty-four hours to do this. About fifteen ballots changed places but the positions of the candidates remained unchanged.

"There were 112 separate transfers. The last transfer was completed at midnight of Tuesday, June 11."

The Public Not Deceived

It is impossible to avoid the conjecture that the outgoing mayor and council, none too friendly to the new charter, deliberately contrived a situation in which the provisions of the charter would be observed to the letter but in such a laborious manner as to convey the general impression that P. R. is an intri-

[5]Under the present standard P. R. rules this information would be determined and made public by the election authorities at their leisure after the official count is over. It is a matter of political interest not needed for the actual result. But in all the American P. R. cities except Toledo it must be determined before the first count is officially completed.

cate and cumbersome nuisance. If such was the purpose it is doubtful whether it has succeeded. On June 12 the *Wheeling Intelligencer* published an article making clear the inexcusable lack of preparation and contrasting Wheeling's experience with the much more expeditious counts in Hamilton and Cincinnati. The same day its leading editorial commented on the situation in part as follows:

> It is unfortunate that Wheeling's first election under proportional representation has been marred by the work of the official counting board. Whether through design or incapacity the organization, direction and progress of the count have been such as to leave the worst possible taste in the public mouth. . . .
>
> The permanent results of this are not likely to be serious. Assuming that the elaborate checking has caught or will have caught all the errors, the will of the people will have been accurately recorded when at long last it is determined that the work has been definitely concluded. . . .
>
> From the calibre of the prospective council this newspaper is confident that four years under the new charter will have convinced the people of Wheeling that they made no mistake in voting for a change.

The other two papers, the *Register* and the *News,* also made editorial comment which stressed the equity of the method, the elimination of the cost of a primary, and the fact that there was no real harm done except in the unfortunate impression since the new council would not meet until July 1.

Mr. Millard recounts an incident tending to confirm the editors' judgment. "The local radio station had a 'mike' on the floor of the count at the Market auditorium and kept the city informed of the count's progress. Advantage was taken of these broadcasts to explain the principles of the count. At two one morning the mike was hoisted to the gallery and many of the spectators were interviewed as to their impression of the system. All but one said it was much fairer than the old system and one declared that the ten highest at that time were all a credit to the city. This was roundly applauded."

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Cyrus Fitton Appointed to Proportional Representation League Council.—To fill the vacancy on the advisory council of the Proportional Representation League caused by the recent death of Professor Rayner W. Kelsey, of Haverford College, the trustees of the league have appointed Cyrus J. Fitton of Hamilton, Ohio. Mr. Fitton is an attorney of high repute and has played a leading part in all the activities of the charter commission group which gave Hamilton its proportional representation-city manager charter in 1926 and under P. R. has elected the council majorities which, with the aid of the competent city manager they have kept in office, have given the city a phenomenal record of good government ever since. In addition, he qualifies easily as one of the country's authorities on the philosophy and practical operation of proportional representation.

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William Dudley Foulke.—William Dudley Foulke, who died at his home in Richmond, Indiana, on May 30 and whose death was given editorial notice on page 310 of the NATIONAL MUNICIPAL REVIEW for June, leaves a memory that will be especially cherished by workers for proportional representation. In addition to his manifold other civic activities he was the first president of the Proportional Representation League and served in that capacity for two extended periods from 1893 to 1920. At the time of his death he was still a member of the League's Advisory Council. His charming personality will not be forgotten by any who knew him.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

Edited by Robert M. Paige

Taxpayers League of St. Louis County (Duluth, Minn.).—The annual report of the League has just been issued. During the past year the League stopped the unnecessary issuance of $150,000 in bonds by a legal action. The city attempted to issue these bonds by an emergency ordinance (that is, without a popular referendum) for the purpose of financing the city's share of the cost of street and sewer improvements. The League showed that the city had at the time an unencumbered cash balance in excess of $100,000 in the permanent improvement fund and the court issued an injunction which is still in effect.

The League took part in a law suit to determine the tax limit of the Duluth Board of Education and its contention that twenty mills was the maximum rate for the school general fund was upheld by the state supreme court. With the reduction in assessed valuations this decision reduced the school fund levy by $337,000. A formal survey of the school system is being made by the League's staff. The problem of small schools within the built-up portions of the city is the major difficulty which must be solved to achieve maximum economy of operation constructively. A 26-page progress report was submitted by the League to the Duluth Board of Education. The League proposed and secured the approval of the state legislature for an amendment to the law governing the Duluth Teachers Retirement Fund Association. This amendment provides for full publicity for the reports of the fund and limits maximum pensions from public funds to $900 per year after 1940. This will make the pension system somewhat less expensive to the city.

During the year the county finally adopted the recommendation, repeatedly made by the League, that county road work be done by the county highway engineer as is legally required instead of by the county commissioners. St. Louis County is one of the largest in the United States and a large part of it is sparsely inhabited. The residents of the northern section of the county are reported to be well satisfied with the road work as planned by the county engineer. The periodical *Range Facts* reports that "a gratifying improvement in highway activities of the county department is evident under the centralized road plan which was so bitterly fought by many range residents. Information furnished indicates that business methods and a due regard for the needs of rural settlers are now being followed. . . . The old system of just giving jobs without any real plan seems to be passing. It marks a brighter and better day for these northern communities."

Other activities of the League during the year included issuance of the enlarged periodical *Taxpayers Business;* preparation of organization chart of the county; scrutiny of all legislation affecting Duluth; initiation of study of the office supply purchasing procedure of county; analysis of tax delinquency trends; beginning of an inventory of tax exempt property; maintenance of city, school and county debt payment schedules; attendance at all meetings of city council, school board, county board, and poor commission, and analysis of county's ability to finance relief.

The League's report concludes with a look into the future:

"Existing state and federal spending policies make it inevitable that taxes in the gross will increase in the next decade rather than decrease. These policies also encourage local governments in spending inclinations. The most serious part is that it is mainly spending borrowed money. The ease or difficulty with which it will be possible to pay back the borrowings is impossible to predict. Also, present trends indicate enlarged and expanded programs of governmental participation in social and economic activities. In other words, the difficulties of government and taxes are going to increase in importance rather than decrease.

"The problem of all business and government is one of turning out the best job possible with the minimum of expense. As the activities of government loom larger upon the scheme of things, a democratic form of government requires that every citizen should spend the maximum time possible in doing his part to insure that his government does the best job possible, whatever the activities may be. It means that as a business proposition, those localities which are best governed will be best suited for the location of business and industry and will make those businesses and industries located therein best able to meet competition from other communities. It means that local governments must have the best organization that alert minds can evolve; that the overlapping layers and uneconomic areas of government be eliminated; that governmental responsibility must be fixed and controllable; that the best trained individuals must be recruited for the public service; that "spoils" politics and patronage must be reduced as far as it is humanly possible. It is a large order, but common sense tells us it is sound. The problem is how can this lofty aspiration be brought down into the arena of practical application.

"It is believed that the Taxpayers' League, as a voluntary citizens' organization is the research organization to develop the facts in

regard to these problems and continue to be a factor in making Duluth and St. Louis County a better place in which to live. With all due modesty the question is thrown out, where would the city of Duluth and St. Louis County be today if it had not been for the activities of the League during the past fourteen years? We have no boss-controlled-machine political organization. Improvements have been made in governmental administration from year to year. There have been no major scandals or graft or corruption, and the League has provided the constant scrutiny and check-up by disinterested observers that is necessary for the best functioning of all human endeavor. Last but not least, public officials and citizens look to the League for help and information on many public affairs."

Public Administration Service.—The Consulting and Research Division of Public Administration Service, Donald C. Stone, director, has completed its eight-month program of work assisting the Temporary Emergency Relief Administration of the state of New York in reorganizing and improving procedures for the handling of direct relief, work relief, distribution of surplus commodities, and other aspects of this program throughout the 119 relief districts in the state. A major part of this work has been the preparation of a comprehensive manual of procedure for the guidance of the relief districts.

A comprehensive survey and plan of reorganization has been prepared for the city of New Rochelle, covering its welfare and relief activities. Many of the recommendations were carried into effect immediately.

Another major assignment just completed was a survey and installation in the Boston Welfare Department. This work included the planning of major changes in organization and business methods of the department and the installation of tabulating machinery to handle many accounting, disbursing, and statistical operations.

Walter Harris, senior accountant of the staff of PAS has recently assisted the Cincinnati Bureau of Governmental Research in its installation of an improved accounting system in the City General Hospital.

Members of the staff of Public Administration Service have been assisting the Federal Works Progress Administration in the development of organization and procedures for the administration of the $4,000,000,000 works program.

Last year PAS was called upon to assist the Tennessee Valley Authority in setting up budgetary and accounting systems. This year PAS has again furnished technical assistance to the Tennessee Valley Authority in the development of its financial administration.

Philadelphia Bureau of Municipal Research.— The work of the Philadelphia Bureau during the past year may be briefly summarized as follows:

Transit Reorganization—At the city's invitation a Bureau staff member is acting as special consultant to the city to clarify the issues in the pending transit reorganization.

Water Problems—Against the inevitable day when questions of water supply, water-rate structure, and waterworks finance will press for solution, the Bureau has continued its analysis of these problems.

Cafeteria Court—After a survey the Bureau introduced to Philadelphia the idea of the "cafeteria court," or traffic violations bureau, which will ultimately solve the problem of politics in traffic cases.

Constitutional Revision—The Bureau studied and reported on methods of changing the constitution of Pennsylvania and the other forty-seven states, thereby throwing light on the technique of revision by convention.

Sinking Fund Audit—The Sinking Fund Commission appointed the Bureau's chief accountant as one of two actuaries to audit the $133,000,000 of assets in the funds maintained to pay off Philadelphia's bonded debt of over half a billion dollars. As a guaranty of impartiality in this very controversial work, the Bureau rendered this service without compensation from the city. Two reports were submitted, one dealing with the Delaware River Bridge bonds, the other with the appropriations required for the funds in 1935. The Sinking Fund Commissioners adopted the recommendations of these reports.

Disposition of Bridge Money—The Bureau publicly questioned the city council's proposal to use for current purposes over $8,000,000 paid to the city by the Delaware River Joint Commission. Since the city had originally issued bonds to raise the money,

the Bureau contended that the money belonged in the bridge-bond sinking funds. Later, when a bondholder took the question to the supreme court, the Bureau gave technical assistance to attorneys, and the supreme court sustained the Bureau's contention that the money belonged in the sinking funds, a most significant victory for sound financing. Efforts to escape the effects of the supreme court decision have resulted in further litigation in which the Bureau has been guiding attorneys through a tangled maze.

Unfinished Subways—How to realize the benefits in service and income from putting into operation the city's unfinished subways, with no power to issue bonds for that purpose, has been a perplexing problem. The Bureau has devised a practical answer: sell some future subway rentals.

Borrowing Power—In the last year the Bureau has pointed out errors in two official statements indicating the existence of a general borrowing power, and has succeeded in convincing the city solicitor that there was no such power and thereby preventing the issuance of illegal bonds. But the Bureau was first to demonstrate that this does not prevent borrowing for capital outlays for the waterworks, because the water revenues will support more debt than is now charged up against the works. Since federal aid can probably be obtained if the city can borrow new money, the Bureau's constructive suggestion opens the way for obtaining needed waterworks improvements at low cost to the city.

Subway Lease—The Bureau helped protect the city's $140,000,000 transit investment by aiding the city to draw the best possible subway lease, fair to both city and PRT, and dovetailing properly into (1) the city's agreement with the Delaware River Joint Commission for use of the bridge-line connecting spur and (2) the commission's lease of the bridge line to PRT.

Delinquent Taxes—The Bureau has made a statistical analysis of tax delinquency in Philadelphia to be used as a basis for solving the problem.

County Government—The Bureau's work on merging city and county governments, particularly the drafting of the constitutional amendment that has passed the Legislature, has brought consolidation appreciably nearer. The Bureau has also helped draw bills to put county payrolls in city council's control, and these have passed the House.

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Taxpayers Research Bureau of Utica (N. Y.).— This organization was established early in 1935. The Bureau has already investigated the following problems: the advisability of the city securing a convention hall and public auditorium; the penalties on delinquent taxes in Utica as compared with such penalties in other cities; the comparative cost of collecting garbage by the city and by private contractors. The Bureau has also made a study of procedures in the county purchasing agent's office and has carefully examined and checked the budget of the city of Utica.

A study is now being made of the county sheriff's office with particular reference to the fee system and the desirability of paying the sheriff a straight salary. The county budget is to be examined and checked in the same way in which the city budget was analyzed and a study of the police pension system will soon be initiated.

John W. Nowland is the director of the Bureau. Offices are maintained in the Chamber of Commerce Building.

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Baltimore Commission on Governmental Efficiency and Economy, Inc.—The proposal to amend the Baltimore charter to limit the annual tax rate for all city purposes other than debt service to 1 per cent was defeated at a popular referendum held May 7. The final count was 50,279 in favor of the amendment and 86,301 opposed. The proposal was placed on the ballot by a petition originated by a city-wide committee sponsored by the local real estate board. The Commission did not issue a recommendation on the proposal, but prepared a factual statement which was used by both proponents and opponents of the amendment during the public discussion of the measure. This statement (in the April 20 issue of *Your Tax Dollar*) revealed that the 1 per cent limit would have forced a 17 per cent reduction in those budget items which are subject to the control of the board of estimate from the 1935 level of expenditures if the city was to live within its income for the year and not draw upon the surplus carried forward from 1934.

The Commission's periodical *Your Tax Dollar* has been revived during the past six

months and seven issues have been published since January 1, 1935. The Commission's staff has devoted attention to state as well as to municipal affairs and has prepared analyses of the problem of financing relief expenditures, the proposal to reduce automobile license charges, Maryland's revenue problem, the proposal that the state government borrow ten million dollars (more than half of which according to bills in the legislature would be used to meet current operating requirements), and similar matters of concern to taxpayers of Baltimore and the state of Maryland.

Your Tax Dollar for April 27 analyzes Baltimore's favorable financial standing and the factors responsible for this situation. These factors are, briefly: unemployment relief has been largely financed by the state and federal governments, city borrowing has been restricted and the net debt reduced almost three and one-half millions of dollars, new revenues have been received from beer and liquor licenses, the city's share of the gasoline tax and automobile registration fees has been increased 10 per cent, expenditures have been held to budget estimates, and economies have been effected. During the past few years the city has materially improved its standard of administration by the further application of such instruments of fiscal control as the centralized system of general accounting, cost analysis and disbursements, and central payroll and central receipts systems.

The city has energetically pushed tax collections, making use of installment and tax saving plans; and in this it has been aided by a relatively severe interest and penalty schedule and, of course, by the operations of the HOLC. Two hundred thousand dollars in interest was saved in 1934 by the prompter collection of taxes; in the past it has been necessary for the city to borrow from the banks to meet operating expenses during the first months of the fiscal year.

*

Cincinnati Bureau of Governmental Research.—The Bureau has recently issued a brochure describing the purpose and past work of the Bureau. The pamphlet states that recommendations of the Bureau have saved the taxpayers of Hamilton County more than $500,000 annually.

After naming the governmental agencies for which the Bureau has done work, the brochure points out that the Bureau has been supported in the past in a large part by contributions of a few citizens of the community, supplemented in recent years by special grants from the Spelman Fund of New York.

The policy of the trustees of the Spelman Fund is to give support to a worthy agency and when its need and value to a community is shown, to let that community carry on the support, the pamphlet states.

Commenting on the work of the Bureau, Mayor Russell Wilson wrote: "It is an inspiration to have in municipal government an organization such as the Bureau of Governmental Research to give nonpartisan advice based on facts. I do not believe that we should have been able to have accomplished the progress of the past decade in governmental affairs of the city of Cincinnati without the help of the Bureau. The mere presence of such a Bureau is an inspiration to good government."

One of the most detailed and lengthy surveys undertaken by the Bureau was the survey of the Cincinnati public schools, now nearing completion. Chase M. Davies, President of the Board of Education, wrote to Calvin Skinner, Bureau Director, as follows:

"The Bureau has performed invaluable services for the Board of Education in making studies that have resulted in a more economical and efficient operation of our schools. It gives a public official in Hamilton County a feeling of assurance to know that when he is faced with a difficult governmental problem that he can refer that problem to the Bureau of Governmental Research, which, because of its broad knowledge of the problems of all other governmental subdivisions in Hamilton County, will give him the correct solution of his problem, and that solution will involve full coöperation and coordination with the other subdivisions which have similar problems. The Bureau is one of the finest civic assets of our community."

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Taxpayers Research League of Delaware.—The director of the League, Russell

Ramsey, reports that, "One would have to delve back many years in Delaware's legislative history to find a session of the general assembly whose performance was so permanently beneficial to the taxpayers of the state as that of the 105th general assembly, which adjourned on April 4." A year ago the taxpayers of Delaware were faced with the prospect of additional taxes of from one to two million dollars a year to meet the deficit into which the general fund—out of which all state government costs are paid except schools and highways—was running. However, the governor and the general assembly adopted a plan for the rehabilitation of the general fund, without any increase in taxation for this purpose, and without impairment of the maintenance and operation of the school and highway systems.

The main features of this plan are as follows: The general fund will borrow one million dollars from the highway and school funds which have a surplus not immediately needed. The 4 per cent highway bonds outstanding will be called and, thanks to Delaware's credit rating, refunded at a saving of about $1,887,000 during the life of the bonds. The new bonds will be serials and the balance in the sinking fund will be transferred to the general fund. The state tax department has been made the collecting agency for the inheritance and estate taxes (formerly collected by the county registers of wills) and for various occupational license taxes (formerly collected by county clerks of peace). The state highway department has been given the responsibility of collecting the gasoline tax and the highway fund will be required to bear the expense of administering the motor vehicle department.

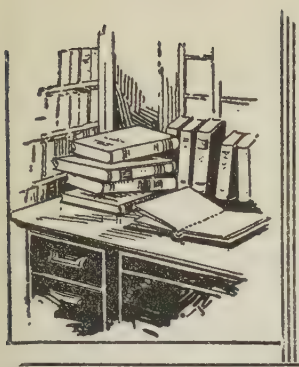
The appointment of a state commission to investigate the possibility of using prison labor to supply many of the commodities now purchased by the state and local governments is also looked upon as a significant step which may result in the saving of money as well as in a better program for the rehabilitation of prisoners.

In the field of local government perhaps the outstanding achievement of the legislative session was the act authorizing the state highway department to take over all county roads and bridges—now maintained by the several counties. Hand in hand with this was an act eliminating all county road taxes, and limiting the total county tax rates to 50 cents on each $100 of real property in New Castle and Sussex Counties, and 40 cents in Kent County. The abolition of the three county highway departments and the centralization of all highway construction and maintenance in one agency—the state highway department—is perhaps paralleled only by the abolition more than a decade ago of the county school system, and the institution of a centralized state system of education. The elimination of county taxes for road purposes will save property owners about $800,000 yearly. The increase of the gasoline tax by one cent to supply the highway department with the funds necessary to maintain the roads taken over from the counties, will involve a much smaller tax on the users of the highways.

Provision also was made for reducing the number of members of the New Castle County Levy Court from seven to three. This should provide for more efficient administration of county government and consequently reduce the cost of operating and maintaining the functions belonging to the Levy Court.

The legislature also abolished the ten district tax collectors in New Castle County Hundreds and applied the more efficient and effective practice of concentrating the collection work in the office of the receiver of taxes and county treasurer. This improved practice is already in effect in the other two counties.

Other important and constructive measures were enacted by the legislature this year. The foregoing are mentioned here because in each of these instances the Taxpayers Research League previously made a technical study of the subject involved. The League feels well compensated for its work because it believes that its studies and its advice may have helped in the solution of the problems which faced the state at the beginning of the legislative session.



RECENT BOOKS REVIEWED

EDITED BY GENEVA SEYBOLD

Boss Rule. By J. T. Salter. New York, Whittlesey House, 1935. 270 pp. $2.50.

In this book the author, who is associate professor of political science at the University of Wisconsin and a frequent contributor to the NATIONAL MUNICIPAL REVIEW, has done something different and done it well. Instead of presenting us with the usual academic analysis of the political machine, why it exists, and how it controls, Dr. Salter supplies action portraits of ward heelers, precinct committeemen, district leaders in order to demonstrate the very human way in which votes are made. He has, to use his own words, "concentrated on trying to see the basic life forces in the governing process rather than the conventional forms." It is an important book and (much better news for the reader!) it is an interesting book. It's as much fun to read as a novel.

The NATIONAL MUNICIPAL REVIEW was much attracted by Dr. Salter's new approach and readers of our pages will recall "A Philadelphia Magistrate Tells His Story," "Design for a Ward Politician," and "An Election Episode," as well as enjoy "Tom Gibson vs. Public Opinion" which appears in this issue. We know you like the samples—the whole cake is even better!

H. P. J.

A Hundred New Towns for Britain. A Scheme for National Reconstruction, proposed by J47485. London, Simpkin, Marshall, Ltd., 1934. 72 pages. 3 shillings 6 pence net. (A few copies are available through the *American City Magazine,* New York. $1.00.)

"Solve the slum problem; give creative employment; save the countryside; make an A-1 population." These challenging words appear on the front cover of this outline of a project which, as its distinguished endorsers point out, is "of such magnitude that it touches the national life at all points."

The pamphlet is of special interest in the United States at this time because of the growing belief that our governmental aid to rural rehabilitation and subsistence homesteads ought to be expended to include several new communities of the English "garden city" type.

The author of "100 New Towns for Britain," an ex-service man who seeks anonymity under his war-time number, J47485, advocates a ten-year program for the building of two million new dwellings in Great Britain. Of these about half would be erected in existing communities and the other half in the hundred new towns, each of about fifty thousand inhabitants. Of the five million people who would thus be accommodated in the new communities, it is estimated that about seventy-five thousand would be factory operatives.

The pamphlet discusses the social and economic advantages to be expected from the program as outlined; also the costs of the scheme, financial technique, and method of administration. There is an "illustrative section", with a map showing the possible allocation of the new towns to the various counties, and suggested specimen plans for different types of communities—a seaside town, a riverside town, a valley town, and a town on a special site. Standards for housing in the new communities and for rehousing in existing cities are proposed, and arguments against tall blocks of tenements are presented.

To push J47485's plans, the Hundred New

Towns Association has been formed. "The members of the new fraternity believe that this great object can be achieved without establishing a dictatorship either of the Right or of the Left; without sacrificing the hard-won victories by virtue of which we enjoy freedom of speech and are protected from political and religious persecution; without weakening the Trades Union movement which has proved itself to be a bulwark of democratic government and an indispensable agency for safeguarding the interests of the wage-earners; without foregoing the advantages which may be derived from the private management of industries and the free employment of organizing and inventive talent; without imperilling the constitution whereby sovereignty is vested in the Crown, Lords and Commons; and lastly, without surrendering the national power which is the established possession of the British people."

HAROLD S. BUTTENHEIM
Editor, *American City*

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The Effect of an Unconstitutional Statute. By Oliver P. Field. Minneapolis, University of Minnesota Press, 1935. 355 pp. $5.00.

Dr. Field in this book has brought together a vast number of cases from various fields of the law relating to the effect of unconstitutional statutes. The subject is a timely one which Dr. Field has handled ably. His thesis is that an unconstitutional statute is not, as is commonly believed, *void ab initio* but that it is given some legal effect in a great many cases and that this fact should be frankly recognized by the courts. The grounds upon which the courts give effect to an unconstitutional statute now vary from case to case depending on the parties to the suit, their previous relations, the nature of the action, the nature of the unconstitutional act, and so forth.

The cases dealing with private corporations formed under an unconstitutional statute have generally held, in contract cases particularly, either that the corporation existed *de facto* and the contract could be enforced or that the party asserting the non-existence of the corporation was estopped from attacking the existence of the corporation by some act of his own. That these doctrines have been applied only where justice to the parties required and that they seem to give some effect to the invalid statute is true but since these doctrines are equally applicable to other situations, not involving the unconstitutionality of a statute, in which the organization of a corporation is legally invalid, it is difficult to follow Dr. Field's argument that the court will give effect to an unconstitutional statute where justice is best served by giving such effect. The same situation is true where the courts refuse to allow the existence of a municipal corporation to be attacked in a collateral action to which the municipal corporation is not a party. The *de facto* and estopped doctrines also play an important part in sustaining a municipal corporation formed under an invalid statute.

As to the effect of unconstitutionality of statutes on government bonds and private promises, the former ordinarily cannot be enforced while the latter, if proper consideration is shown or if a benefit has inured to one of the parties, can be enforced. The rule in these cases is almost identical with the general rule of quasi-contract.

Dr. Field also discusses the official status of public officers whose office has been created by an invalid statute or whose method of selection for office is unconstitutional. In the former case attack on the official status is generally allowed while in the latter case it is usually denied.

In his consideration of the doctrines of *res adjudicata* and *stare decisis* is probably the most impressive example of effect being given to an unconstitutional statute. A judgment rendered in a civil case will not ordinarily be reconsidered even though the statute on which the judgment was based is subsequently declared invalid. In a criminal case, however, a person imprisoned for violation of a statute subsequently declared invalid can usually obtain his liberty upon a writ of *habeas corpus*.

Dr. Field has dealt at some length with the problems involved in the field of the law dealing with a mistake of law and those problems arising from legislation designed to cure the previous constitutional objection to a statute. The book closes with a very able and valuable discussion of "Judicial Review as an Instrument of Government." There is not space here to comment on the controversial question as to what the role of judicial review in the American federal system of government

should be but since the NRA decision it has become once more the most poignant question in our political life.

EUGENE M. REED

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Building Lines and Reservations for Future Streets. By R. V. N. Black. Harvard City Planning Studies, Volume VIII. Cambridge, Harvard University Press, 1935. 243 pp. $3.50.

In this book Mr. Black has compiled a vast amount of useful material on two of the most difficult problems in the whole field of city planning administration. The study is in the main a consideration of the relative spheres of the police power and the power of eminent domain in the control of the city plan.

Mr. Black discusses these two sovereign powers merely as means of limiting the use of land in anticipation of a future taking for street purposes; he does not consider building lines in the light of what they may contribute to the amenities of a neighborhood. This is an unfortunate, though deliberate, omission.

The author treats his subject in a manner to convey the impression that the protection of mapped streets and the establishment of building lines are but different phases of the same problem. Although this may to an extent be true, we should not forget that reservations for future streets are concerned principally with the means of ultimately securing streets in areas at present unsubdivided while building lines are established in the vast majority of cases to promote the amenities of abutting property and only in a minority of cases to maintain open strips on either or both sides with a view to reducing the awards for buildings in case of future street widening. In other words, one affects new streets in rural areas; the other, existing streets in platted areas.

Mr. Black apparently feels that a building line established under the power of eminent domain is an effective stop-gap where a front yard cannot be laid down under zoning during the interim before the actual taking for widening purposes. This may well be questioned for we know something of the situations created through a vacation or modification of eminent domain building lines by city officials. Building lines can be used only up to a certain point in a street widening program with advantage; beyond this point it is cheaper to acquire the fee to the needed property than it is, first, to establish an easement in the way of a building line, and then, when the street is needed, to purchase or condemn the title.

Had Mr. Black digested his material more fully and arranged his discussion topically instead of geographically, the book would have gained considerably in both emphasis and value. Yet this effort is to be welcomed not only as a sincere, but as an interesting and profitable contribution to the administrative technique of city planning.

HERBERT S. SWAN

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Present Status of State Income Taxes. By Mabel L. Walker. New York, Tax Policy League, 1935. 18 pp. mimeo. Twenty-five cents.

Thirty-one states are now levying some form of personal income tax and the same number are levying taxes on the net income of corporations. Altogether thirty-four levy some form of net income tax. Dr. Walker presents data on all state income taxes up to May 31, 1935, in the form of a chart which gives the date of each law and the rates and exemptions relative to the tax on both personal and corporate income.

Another helpful table indicates the yield of state income taxes. The manner in which each state distributes its income taxes is described and the text is given of income tax amendments passed by twenty states.

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Recording of Local Health Work. By W. F. Walker, Dr. P. H., and Carolina R. Randolph, in coöperation with the Committee on Administrative Practice of the American Public Health Association. New York, The Commonwealth Fund, 1935. 275 pp. $2.00.

Well formulated and accurately kept records are a necessity in the administration of a good health department. If the record forms are standardized, statistics may then be compiled for large areas or the country as a whole and the health officer may possess the great advantage of being able to compare local experience with experience elsewhere.

A number of organizations in the public health field have coöperated in the preparation of the record forms presented in this book. The forms are full size and the make-up of the book exceptionally attractive. To stimulate the adoption of a comprehensive and orderly plan for recording local health work on the part of local agencies, the book is being sold at less than its cost of publication.

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Controlling Depressions. By Paul H. Douglas. New York, W. W. Norton and Company. 286 pp. $3.00.

Whether the reader agrees or disagrees with the conclusions reached by Dr. Douglas, who is professor of economics at Chicago University and whose last book, "The Theory of Wages," won the Hart, Schaffner and Marx prize of $5,000, he should certainly welcome this book as a piece of clear thinking on a subject that has been pretty badly muddled up to date. To this reviewer, it is unquestionably the best thing that has been done on the subject. Suffice here to indicate that the author sees many causes of depression and divides them into two groups: *initiating* causes and *cumulative* causes. He compares a depression to a forest fire which gains greater and greater momentum as it spreads.

One of the interesting distinctions made by the author comes in his discussion of governmental control of credit. Government should be the manufacturer of credit, he believes, but the retail distribution of credit should remain in private hands.

OHIO CITIES BATTLE DEPRESSION AND TAX LIMITATION

(Continued From Page 397)

$43,000,000 in tax revenue. To add to their difficulties the tax duplicate of the large cities had been cut 37.2 per cent since 1930. Heavy delinquency added to the seriousness of the situation. As a result a sales tax became a necessity and many small home owners, who had voted themselves a tax reduction, now found themselves paying more taxes than before the constitutional amendment.

The effects of the constitutional amendment are not fully realized as yet. It is evident at this time that the new 3 per cent sales tax plus minor changes in the intangible tax law will not repair the damage to local revenues. Certain cities have been able to meet the situation better than others.

Cincinnati has a charter not affected by the amendment, hence faces the future without fear. Additional sales tax revenue enabled it to cut its mill rate for 1935 by 1.85 mills. This city has the best financial condition of the eight cities studied and has pursued a vigorous policy of debt retirement during the depression, as already noted.

Cleveland was forced to pass a 4.4 mill levy for 1935 which partially restored the reduction made by the ten-mill amendment. Other cities have not fared so well.

Toledo, for example, at the beginning of 1935 had $2,012,000 in revenues in sight for its general operating departments. In 1934 these departments spent $3,476,000. This would have necessitated a reduction of 42 per cent in all departments. At present Toledo is not living within its anticipated revenues and has spent 65 per cent of its anticipated revenues for 1935 in the first five months.

The results of the ten-mill limitation in the constitution are not yet clear. They are not likely to be happy, unless more intelligent tax legislation is passed in the immediate future than has been passed in many years and unless Ohio cities adopt a standard of efficiency and honest administration similar to that of the best managed city in Ohio, which is Cincinnati.

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CONTENTS FOR AUGUST

League's Business ..... *Howard P. Jones* 420

Editorial Comment ..... *H. P. J.* 421

Who's Who in This Issue of the Review 424

An Open Letter 424

The Citizen's Duty Toward Relief ..... *Oswald W. Knauth* 425

Paying for Economic and Social Security ..... *Joseph P. Harris* 430

Dust Gets in Your Eyes ..... *Luther Gulick* 436

Supreme Court Limits Public Utility Valuation ..... *John Bauer* 440

County Officials and Efficiency in Government ..... *Roland R. Renne* 444

More Libraries for City Halls ..... *Henry Reining, Jr.* 448

The contents of the National Municipal Review are indexed in the *Engineering Index Service*, the *Index to Legal Periodicals*, the *International Index to Periodicals* and in *Public Affairs Information Service.*

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THE LEAGUE'S BUSINESS

The League's Annual Convention.—The local committee for the annual meeting of the National Municipal League at Providence, November 25 and 26, has now been announced. We are very glad to list the members, as follows: Hon. Theodore Francis Greene, Governor of Rhode Island; Hon. James E. Dunne, Mayor of Providence; Walter F. Fitzpatrick, City Treasurer of Providence; Robert M. Goodrich, Executive Director, Providence Governmental Research Bureau; Royal B. Farnum, Educational Director, Rhode Island School of Design; Mrs. Royal C. Taft, President, Rhode Island League of Women Voters; F. Ellis Jackson, President, Rhode Island Chapter, American Institute of Architects; Hon. Daniel E. Geary, President, Providence Board of Aldermen; Harry M. Carey, Executive Secretary, Providence Community Fund; Hugh F. MacColl, President, Providence Chamber of Commerce; Arthur L. Philbrick, Vice President and Chairman, Taxation Committee, Providence Chamber of Commerce; Charles B. Mackinney, President, Providence Civic Improvement and Park Association; Henry D. Sharpe, President, Providence Governmental Research Bureau; Dr. Alexander Stoddard, Superintendent of Schools, Providence; Hon. Joseph Farrell, President, Providence Common Council; Rev. Charles C. Curran, Director of Catholic Charities, Providence; Hon. J. Joseph Fitzpatrick, Chairman, Providence Committee on Finance; Professor James P. Adams, Vice President Brown University; Dr. Lorenzo C. McCarthy, President, Providence College; Hon. Zenas Bliss, Chairman, Rhode Island State Commission on Ways and Means; William S. Innis, President, Providence Community Fund, Inc.; and Mrs. Frank Fenner Mason, President, Rhode Island State Federation of Women's Clubs.

* * *

Mr. Seasongood's Activities.—Hon. Murray Seasongood, former Mayor of Cincinnati and past president of the League, is President of the Board of Directors of the Hamilton County (Ohio) Good Government League. Mr. Seasongood continues his good work in the field of municipal government and has made frequent addresses on the subject before interested audiences. He recently spoke at the annual banquet of the Fusion Party of New York City.

* * *

Committee on Personnel.—The following committee has been appointed to serve as a joint committee of the National Municipal League and the National Civil Service Reform League in drafting a model state personnel law: Charles P. Taft, 2nd, Cincinnati, Ohio, Chairman; John B. Andrews, Secretary, American Association for Labor Legislation, New York City; G. Lyle Belsley, Director, Civil Service Assembly of United States and Canada, Chicago; Professor Edgar Dawson, Hunter College, New York City; Mrs. Walter S. Greenough, Representative of National League of Women Voters, Indianapolis, Ind.; Professor Morris B. Lambie, Harvard University, Cambridge, Mass.; Professor Arthur W. Macmahon, Columbia University, New York City; Charles P. Messick, Civil Service Commission, Trenton, N. J.; Samuel H. Ordway, Jr., East Hampton, L. I.; Dr. Ellen C. Potter, Department of Institutions and Education, Trenton, N. J.; Dr. C. E. Ridley, International City Managers' Association, Chicago; and Professor Wallace Sayre, New York University, New York.

* * *

Publication Fund Established.—Over a period of from three to five years League publications finance themselves, yet we are continually handicapped in current operations for lack of working capital. It has been suggested, therefore, that a *Publication Revolving Fund* be established to meet this situation. A contribution to this fund, in other words, represents capital investment instead of a contribution which will have to be renewed year after year. Contributions of any amount are welcome. The officers of the League feel this represents a real opportunity to make the influence of a contribution today go down the years.

Contributions or pledges to the fund have already been received from the following members: Louis Bamberger, Newark, N. J.; Charles A. Beard, New Milford, Conn.; Miss Mary E. Converse, Rosemont, Pa.; Thomas C. Desmond, Newburgh, N. Y.; E. J. Donnelly, Two Rivers, Wis.; Austin F. Macdonald, Los Angeles, Calif.; John J. Rothermel, Washington, D. C.; Henry L. Shattuck, Boston, Mass.; Miss Belle Sherwin, Washington, D. C.; and West Publishing Company, St. Paul, Minnesota.

* * *

Radio Broadcasts.—Speakers and topics for "Taxation for Prosperity", Series XI in the YOU AND YOUR GOVERNMENT radio programs, for the next five weeks are as follows:

August 13.—"Single Tax vs. Triple Tax." Walter Fairchild, Attorney and Secretary of the

(Continued on Page 454)